Local Government Finance in Ontario

1981

The Honourable Claude F. Bennett
Minister of Municipal Affairs and Housing

Ontario

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Attached with my compliments is a copy of "Local Government Finance in Ontario, 1981". I hope you find this edition both interesting and informative. The topic discussed in Part II is "Evaluating the Financial Position of Ontario Municipalities". The summary tables have been expanded to show the data by municipal status, namely, towns, villages, townships, cities, counties, and regions. This has been done to satisfy the users' need for this type of presentation.

Yours sincerely,

Claude Bennett

Claude F. Bennett
Minister
M.P.P., Ottawa South

June, 1983

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1981

Ministry of Municipal Affairs and Housing
The Honourable Claude F. Bennett, Minister

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Preface

This publication is the sixth edition since its introduction in the present format in 1977. As the financial inter-dependence of the provincial and local levels of government grows, it is increasingly important that accurate information on local government finances be available. I believe the analysis contained here continues to represent an effective and informative way of reporting local government financial affairs to the Legislature, to elected and appointed local officials, and to the general public.

This edition also includes a discussion of the methods of evaluating the financial position of Ontario municipalities. In addition, there are summary tables of data from the 1981 municipal Financial Information Returns, as required under Section 84 of the Municipal Act. Financial data on individual municipalities are available from the Ministry on request.

Claude Bennett

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Minister
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Introduction

Local government in Ontario includes municipalities, school boards, and local boards. At the end of 1981, there were 838 municipalities, 194 school boards, and about 2,000 local boards or agencies.

There are three categories of municipal structure in Ontario: the regional system, the county system, and single-tier municipalities.

Two-thirds of Ontario's population lives in areas with regional systems. The first of these systems, MetropolitanToronto, was set up in 1954 while the others were formed during the period 1969-1975. In each regional system, there is one upper tier municipality supported by a number of lower tier or area municipalities. The division of responsibilities between upper tier and lower tier municipalities is defined by statute, and varies from one system to another. In general, the upper tier municipalities provide health and social services, police protection, transit, major roads, sewers, water, garbage disposal, and regional planning. Services, such as fire protection, local roads, garbage collection, recreational services, and neighbourhood planning, are normally provided by lower tier municipalities. The thirteen regional types of municipalities have 93 lower tier municipalities within their boundaries.

The county system covers all of southern Ontario except those parts now under the regional system. Counties are an older form of two-tier municipal government, and differ from the regional system in two ways. First, the county municipalities usually have responsibility only for county roads, and health and social services; all other services are provided by the lower tier municipalities. Second, cities and a few large towns (separated towns) which are within county boundaries are not part of the county system. These municipalities, which range in size from the City of London (population 260,000) to the Town of St. Mary's (population 5,000) operate as single-tier municipalities.

Most of the northern part of the Province is sparsely inhabited, and is without any form of municipal organization.

Areas with sufficient population to make municipal organization feasible are organized into single-tier municipalities, except two areas (Region of Sudbury and District of Muskoka) which have regional systems. Single-tier municipalities in northern Ontario, like those in the south, provide the full range of municipal services except for health and social services which usually are provided through local boards on a district-wide basis, including areas not organized for municipal government purposes.

Local boards are established under provincial legislation, or set up by municipalities to discharge specific functions. The over 2,000 local boards presently in existence vary tremendously in size and function. For example, police commissions have a wide range of powers, including the power to pass by-laws, while homes for the aged are often operated as municipal departments. In this publication, the financial operations of local boards are included with those of municipalities. Certain boards, including hospital boards, district health councils, regional library boards, and humane societies, are not considered part of local government since they relate more to the provincial than to the municipal level of government, and therefore, their financial data are not consolidated.

Local government in Ontario derives its authority from the Province. Municipalities can only do what the Province empowers them to do, and in turn, the Province can delegate to municipalities only those powers it has been granted under the Canadian constitution.

The main provincial statutes which regulate the activities of local governments are the Municipal Act, the various acts establishing Metropolitan Toronto and regional governments, the

Ontario Municipal Board Act, and the Education Act. The statutes provide a wide range of mandatory and discretionary powers.

The municipal financial data used in this publication are taken from the Financial Information Returns, submitted annually by all municipalities to the Ministry. The school boards' financial data were provided by the Ministry of Education, and are based on the annual Financial Statements submitted by school boards to that Ministry.

The data reflect the way municipalities actually operate through separate analyses of the revenue fund and of the capital fund. Total figures are calculated by adding the two funds, less transfers from the revenue fund to the capital fund. Inter-municipal grants are netted against expenditures in compiling aggregate municipal government figures. In addition, data for children's aid societies and conservation authorities have been added to arrive at total local government figures.

Detailed financial data for individual municipalities or groups of municipalities are available from the Ministry's data bank on request. In general, such data will be provided free of charge but the Ministry reserves the right to recover costs of meeting requests for large volumes of data. Requests should be directed to the Director of the Municipal Management Policy Branch of the Ministry of Municipal Affairs and Housing, 3rd Floor, Mowat Block, Toronto, Ontario M7A 1C2, (416) 965-2265.

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PART I

1981 Financial Performance

Chapter 1

Highlights

Socio-Economic Conditions

In 1981, the population in Ontario increased by 1.2 per cent, a rate of growth that was slightly higher than in recent years. The rate of household formation, which had been averaging between 2.0 and 3.0 per cent in prior years, weakened in 1981 to an annual rate of 1.5 per cent.

New construction, renovations, and additions as reflected in assessment growth added 2.0 per cent to the total tax base of municipalities and school boards in 1981, the lowest annual rate of growth since 1977*. The increase in the market value of assessment was 10.6 per cent of which about 8.6 per cent was due to increases in property values and 2.0 per cent to new construction.

Socio-Economic Statistics **Table 1-1**

	1980	1981	1979/77 Annual	1980/79	1981/80
			%	%	%
Population (000)[1]	8,384	8,480	0.9	0.7	1.2
Households (000)[1]	3,199	3,248	2.9	2.0	1.5
Property Assessment ($M)[2]					
(1970 Values)	92,536	94,393	3.2	3.0	2.0
(Current Values)	197,068	217,907	n/a	n/a	10.6
Avg. Income/ Household ($)[3]	27,000	30,200	7.7	9.8	11.9
Gross Provincial Product ($M)	109,600	123,700	10.2	9.4	12.9
Consumer Price Index (1971=100)	210.6	236.9	9.0	10.1	12.5

[1] Data taken from enumeration reports completed at the beginning of the corresponding year.

[2] The constant 1970 values measure real increases in assessment resulting from new constructions, renovations, and additions. The current values assessment figures reflect increases in property values that occurred during the prior year in addition to real increases.

[3] Estimated from Revenue Canada Taxation Statistics, 1980 Edition.

The consumer price index in 1981 rose by 12.5 per cent over the 1980 index. Average income per household was $30,200, an increase of 11.9 per cent over 1980. Real average income per household, that is, income discounted for inflation, decreased 0.6 per cent over 1980. The gross provincial product increased 0.4 percentage points more than the rate of the consumer price index.

Expenditures

Spending by municipalities, their local boards, agencies, and school boards increased 11.9 per cent in 1981 from 1980 to a total of $11.8 billion. Despite the increase in demand for services, spending in 1981 was less than the 12.5 per cent increase in the consumer price index. In addition, the local government expenditure increase was less than the growth of the gross provincial product, thus, indicating that local government is using less of the Province's resources. This has been the pattern for local governments since 1977. Also, because of the increase in the number of households, the 10.2

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*The assessment data on which municipalities levy property taxes in any year are from the prior year and, therefore, any increase reflected in the 1981 taxation year occurred during 1980.

percentage increase in local government expenditure per household in 1981 over 1980 was less than the increase of 11.9 per cent in total spending. Factors causing growth in expenditures were demographic changes, including population and household increases, inflation, and a desire to improve the quality and scope of local government services.

Table 1-2

Local Government Expenditures

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Municipalities					
Revenue Fund[1]	4,872	5,516	9.3	12.2	13.2
Capital Fund[2]	1,218	1,293	2.2	5.0	6.2
Subtotal	6,090	6,809	7.8	9.9	11.8
School Boards					
Revenue Fund	4,309	4,815	7.6	9.2	11.7
Capital Fund	172	206	7.0	24.6	19.8
Subtotal	4,481	5,021	7.5	9.7	12.1
Total Local Government					
Revenue Fund[1]	9,181	10,331	8.5	10.8	12.5
Capital Fund	1,390	1,499	2.9	4.0	7.8
Total	10,571	11,830	7.6	9.8	11.9
Total Expenditure Per Household ($)	3,304	3,641	9.6	6.5	10.2

[1] Excludes transfers to capital fund.

[2] Excludes transfers to unconsolidated local boards, individuals, and own funds.

Table 1-3

Local Government Revenues

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Municipalities					
Taxation	2,166	2,454	8.7	10.1	13.3
Ontario Grants	1,914	2,178	7.0	9.6	13.8
Other Revenue	1,758	2,055	13.2	11.8	16.9
Long Term Borrowing	307	254	(12.7)	(5.2)	(17.3)
Subtotal	6,145	6,941	7.1	9.7	13.0
School Boards					
Taxation	2,048	2,315	9.5	11.9	13.0
Ontario Grants	2,301	2,577	4.7	10.0	12.0
Other Revenue	114	141	26.3	(1.8)	23.7
Long Term Borrowing	45	9	9.5	(25.0)	(80.0)
Subtotal	4,508	5,042	7.1	10.7	11.8
Total Local Government					
Taxation	4,214	4,769	9.1	11.0	13.2
Ontario Grants	4,215	4,755	5.7	9.8	12.8
Other Revenue	1,872	2,196	13.7	11.3	17.3
Long Term Borrowing	352	263	(13.2)	(8.1)	(25.3)
Total[1]	10,653	11,983	7.1	10.1	12.5

[1] Does not equal total expenditures because of changes in year end balances.

Inflation appears to be the largest single contributing factor by far in explaining the level of expenditure increases for 1981. Although salaries, wages, and benefits increased by 14.7 per cent, the number of municipal employees increased by about 1.6 per cent.

Municipal spending increased 11.8 per cent over 1980 to a total of $6.8 billion in 1981. The increase was 0.7 per cent lower than the inflation rate. This indicates some municipal expenditure restraint in 1981. The expenditure growth resulted from a 13.2 per cent increase in operating spending, and a 6.2 per cent increase in capital fund spending. This suggests municipalities used capital expenditure restraint as the primary tool to achieve overall restraint.

School board expenditures increased at a faster rate than municipal spending in 1981. Total expenditures increased 12.1 per cent in 1981 from 1980. Revenue fund spending increased 11.7 per cent and capital fund spending increased 19.8 per cent.

Revenues

Total local government revenues in 1981 increased by 12.5 per cent over 1980 to total $12.0 billion. Property taxation increased 13.2 per cent to $4.8 billion and Ontario grants increased 12.8 per cent to $4.8 billion as well. The 1981 percentage increase for both taxation and grants was the highest since 1977. As in prior years, other revenues in 1981 represented the highest percentage increase at 17.3 per cent. Another trend since 1977 has been a decrease in long term borrowing. Local government long term borrowing in 1981 decreased 25.3 per cent from 1980.

In 1981, the municipal sector increased its revenues by 13.0 per cent to $6.9 billion. Both property taxation and Ontario grants increased by about 13.5 per cent in 1981 from 1980. Other revenue increased by 16.9 per cent and long term borrowing fell 17.3 per cent from 1980.

Total school board revenues increased by about one percentage point less than those of municipalities, 11.8 per cent. Property taxation and Ontario grants also increased at rates below that for municipalities, 13.0 and 12.0 per cent respectively. The 80.0 per cent decrease in long term borrowing was in part compensated by the 23.7 per cent increase in other revenue.

Property Tax Levels

Average 1981 residential property tax levels in the Province were $883 per household, an increase of 10.4 per cent from 1980. The average increase was 10.5 per cent in municipal taxes and 10.2 per cent in school taxes. Property tax offsets, through the Ontario Tax Credit System and

Average Residential Property Taxes Per Household[1] Table 1-4

	1980	1981	1979/77 Annual	1980/79	1981/80
	$	$	%	%	%
Municipal Taxes and Charges	408	451	5.0	5.7	10.5
School Taxes	392	432	6.6	5.6	10.2
Gross Property Taxes	800	883	5.6	6.5	10.4
Tax Offsets[2]	144	147	2.6	19.0	2.1
Net Property Taxes	656	736	6.1	3.8	12.2
Share of Household Income (%)					
Gross Taxes	3.0	2.9	(3.1)	0.0	(3.3)
Net Taxes	2.4	2.4	(1.9)	(8.0)	0.0

[1] Household refers to single family dwelling unit.

[2] Includes Ontario Tax Credits, Pensioners Property Tax Assistance, andMunicipal and School Tax Credits.

Pensioners Tax Assistance, reduced the average household property taxes by $147 to $736. However, since property tax offsets increased by only 2.1 per cent from 1980, average net household taxes increased by 12.2 per cent. In short, the differential between gross and net taxation contracted in 1981, resulting in a 12.2 per cent increase in net taxation. It should be noted that the Ontario Tax Credits are inversely proportional to personal income, and directly related to the level of property taxes. If the income of the tax filer increases at a higher rate than property taxes, the tax credit can decrease both in absolute and relative terms. Average net property taxes, as a share of household income, were the same as in 1980, 2.4 per cent of income.

Long Term Borrowing And Debt Outstanding

Local government long term borrowing decreased by 25.3 per cent in 1981 from 1980 to a total of $263 million. Municipal borrowing accounted for $254 million and school boards for the remaining $9 million. About one-fifth of municipal capital expenditures in 1981 were financed from long term borrowing. In comparison, over a third of municipal capital expenditures in 1977 were financed from long term borrowing.

Total local government debt outstanding at the end of 1981 amounted to $4.2 billion, a 3.1 per cent decrease from 1980. Municipal debt decreased 0.4 per cent in 1981, reversing a series of increases since 1977. School board debt in 1981 continued to decline as it has since 1977, decreasing 9.2 per cent from 1980.

Long Term Borrowing, Net Debt Outstanding and Debt Charges

Table 1-5

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Long Term Borrowing					
Municipalities	307	254	(12.7)	(5.2)	(17.3)
School Boards	45	9	9.5	(25.0)	(80.0)
Total	352	263	(13.0)	(8.3)	(25.3)
Net Debt Outstanding At Year End					
Municipalities	3,028	3,015	2.3	1.7	(0.4)
School Boards	1,289	1,170	(4.3)	(1.9)	(9.2)
Total	4,317	4,185	0.1	0.7	(3.1)
Annual Debt Charges					
Municipalities	469	493	8.1	4.0	5.1
School Boards	214	211	0.7	(0.9)	(1.4)
Total	683	704	5.5	2.4	3.1

In 1981, total debt charges were $704 million, a 3.1 per cent increase from 1980. Municipal debt charges increased 5.1 per cent in 1981 to $493 million, while school board debt charges declined 1.4 per cent to $211 million.

Year End Position

Local governments are required by statute to balance their operating budgets each fiscal year. However, since revenues and expenditures are difficult to forecast precisely, surpluses and deficits often occur. At the end of 1981, municipalities and school boards had accumulated revenue fund surpluses of $301 million, 37.4 per cent over 1980.

The capital fund year end position has a greater tendency to fluctuate than the revenue fund. These fluctuations occur mainly because municipalities withhold debenture issues while awaiting better interest rates in the market or while consolidating borrowing for a number of different capital projects. School boards, on the other hand, tend to finance a project before completion. As a result, expenditures and financing may not occur in the same calendar year. In 1981, local government had a total of $162 million in unfinanced capital outlays, about the same as the prior year. Municipalities had $148 million in unfinanced capital expenditures and school boards $14 million.

Year End Balances **Table 1-6**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Revenue Fund (Surplus)					
Municipalities	193	263	14.8	(7.7)	36.3
School Boards	26	38	(17.4)	13.0	46.2
Total	219	301	7.2	(5.6)	37.4
Capital Fund (Unfinanced)					
Municipalities	152	148	69.0	(8.4)	(2.6)
School Boards	6	14	40.5	(73.9)	133.3
Total	158	162	62.5	(16.4)	2.5
Reserves and Reserve Funds					
Municipalities	1,006	1,218	12.0	13.8	21.1
School Boards	151	177	15.6	14.4	17.2
Total	1,157	1,395	12.4	13.9	20.6
Taxes Uncollected At Year End					
Current	222	268	6.0	7.2	20.8
Previous Year	56	63	11.2	21.7	13.4
Prior Years	22	24	17.5	10.0	8.3
Total	300	355	7.5	9.9	18.5

Local government reserves and reserve funds totalled $1.4 billion at the end of 1981, an increase of 20.6 per cent from 1980. Reserves and reserve funds have increased annually since 1977 for both municipalities and school boards. In 1981, municipalities accounted for about 90 per cent of local government reserves and reserve fund balances.

Continuing the annual growth from 1977, the amount of uncollected property taxes increased by 18.5 per cent in 1981 from the previous year. A total of $355 million was outstanding at year end. Three-quarters of the uncollected taxes were from the 1981 levy, 17.7 per cent from the 1980 levy and 6.8 per cent from prior years. The composition of uncollected property taxes has remained constant for the years of 1977 to 1981.

Estimated 1982 Financial Performance

Total local government expenditures for 1982 have been estimated at about $13.3 billion, a 13 per cent increase from 1981. This indicates local government anticipated a high rate of inflation, high interest rates for new debt charges, and substantially higher welfare costs.

Municipal expenditures were estimated to increase approximately 13 per cent to $7.7 billion. Of this amount, about $6.3 billion, an increase of 14 per cent over 1981, was to be for operating costs. The remaining $1.4 billion was to be spent on capital projects.

School board spending was expected to increase slightly more than municipal spending, 13 per cent to $5.7 billion. It was anticipated that operating costs would account for most of the expenditure growth.

Estimated 1982 Local Government Expenditures — **Table 1-7**

	1981	1982 Estimate	1981/80	1982/81
	$ Million	$ Million	%	%
Municipalities				
Revenue Fund[1]	5,516	6,290	13.2	14.0
Capital Fund	1,293	1,379	6.2	6.7
Total	6,809	7,669	11.8	12.6
School Boards				
Revenue Fund[1]	4,815	5,465	11.7	13.5
Capital Fund	206	209	19.8	1.5
Total	5,021	5,674	12.1	13.0
Total Local Government				
Revenue Fund[1]	10,331	11,755	12.5	13.8
Capital Fund	1,499	1,588	7.8	5.9
Total	11,830	13,343	11.9	12.9
Total Expenditure Per Household ($)	3,641	4,005	10.2	10.0

[1] Excludes transfers to capital fund, reserves and reserve funds.

Estimated 1982 Local Government Revenues — **Table 1-8**

	1981	1982 Estimate	1981/80	1982/81
	$ Million	$ Million	%	%
Municipalities				
Taxation	2,454	2,767	13.3	12.7
Ontario Grants	2,178	2,371	13.8	8.9
Other Revenue	2,055	2,351	16.9	14.4
Long Term Borrowing	254	280	(17.3)	10.2
Total	6,941	7,769	13.0	11.9
School Boards				
Taxation	2,315	2,675	13.0	15.6
Ontario Grants	2,577	2,822	12.0	9.5
Other Revenue	141	130	23.7	(7.8)
Long Term Borrowing	9	10	(80.0)	11.1
Total	5,042	5,637	11.8	11.8
Total Local Government				
Taxation	4,769	5,442	13.2	14.1
Ontario Grants	4,755	5,193	12.8	9.2
Other Revenue	2,196	2,481	17.3	13.0
Long Term Borrowing	263	290	(25.3)	10.3
Total[1]	11,983	13,406	12.5	11.9

[1] Does not equal total expenditures because of changes in year end balances.

Total local government revenues were estimated to reach about $13.4 billion in 1982, a 12 per cent growth rate (slightly less than the previous year). Property taxation was expected to be the fastest growing revenue source at 14 per cent. Ontario grants were expected to increase 9 per cent. The forecast for long term borrowing indicated a 10 per cent increase from $263 million in 1981 to $290 million in 1982.

Municipal revenues were expected to increase 12 per cent in 1982, about one percentage point less than the 1981 increase. Property taxation and other revenue were estimated to increase at rates above 12 per cent to counter the lower Ontario grants growth.

The 1982 increase in school board revenues was estimated at about 12 per cent, the same as for municipalities. Property taxation was expected to grow approximately 16 per cent while the increase for Ontario grants was between 9 and 10 per cent. Other revenue was expected to decrease by about 8 per cent.

Municipal mill rates were expected to increase by about 9 per cent and school boards by about 11 per cent. The combined 1982 mill rate increase was 10 per cent, slighter lower than in 1981.

Mill Rate Changes by Purpose and Type of Municipality, 1981 and Estimated 1982 — **Table 1-9**

	Municipal		School Boards		Total	
	1981/80	1982/81	1981/80	1982/81	1981/80	1982/81
	%	%	%	%	%	%
Metro Toronto	8.8	8.7	10.1	13.8	9.4	11.3
Regions	12.0	9.3	10.4	10.6	11.1	10.0
Cities South	9.3	8.8	8.7	10.1	9.0	9.4
Cities North	15.1	8.7	9.5	10.0	12.4	9.3
Rural South	10.9	7.3	11.2	9.3	11.0	8.4
Rural North	10.9	8.1	8.0	9.7	9.5	8.9
Provincial Average	10.7	8.8	10.1	11.3	10.4	10.1

It was anticipated that mill rate increases across the Province in 1982 would range from 8 per cent in the rural south to 11 per cent in Metropolitan Toronto. The anticipated higher increases for Metropolitan Toronto were due mainly to a projected 14 per cent increase in school board mill rates.

Average 1982 residential property taxes were estimated at $970 per household, up $87 from 1981. Increases in property tax offsets were expected to be marginal. As a result, net property taxes were estimated to increase from $736 in 1981 to about $820 in 1982. The property tax to income ratio was expected to be 2.4 per cent, the same as for 1981.

Average Residential Property Taxes Per Household, 1981 and Estimated 1982[1]

Table 1-10

	1981	1982 Estimate	1982/81
	$	$	%
Municipal Taxes & Charges	451	490	8.6
School Taxes	432	480	11.1
Gross Property Taxes	883	970	9.9
Tax Offsets[2]	147	150	2.0
Net Property Taxes	736	820	11.4
Share of Household Income (%)			
Gross Taxes	2.9	2.9	0.0
Net Taxes	2.4	2.4	0.0

[1] Household refers to single family unit.

[2] Includes Ontario Tax Credits, Pensioner Property Tax Assistance, and Municipal and School Tax Credits.

Chapter 2

Municipal Revenue Fund Operations

Expenditures By Object

Total municipal revenue fund expenditures increased 13.1 per cent in 1981, from $5.1 billion in 1980 to $5.8 billion. This rate of growth was higher than the 12.2 per cent increase in 1980 and continued the upward trend of an average 9.2 per cent increase over the preceeding three years. In comparison, prices as measured by the consumer price index, increased 12.5 per cent in 1981 and an average of 9.0 per cent per year over the period 1977-1979.

These figures suggest that almost the entire increase in municipal spending in 1981 was due to inflation. Despite demands for increased volume and improved levels of service, as well as the effect of high interest rates for long term borrowing, municipal expenditures were not out of line.

Municipal Revenue Fund Expenditures by Object — **Table 2-1**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Salaries & Wages	2,416	2,772	8.8	11.7	14.7
Materials & Supplies	1,356	1,549	9.3	13.0	14.2
Transfers[1]	424	468	15.7	9.6	10.4
Subtotal	4,196	4,789	9.4	11.9	14.1
Debt Charges	469	493	8.1	4.0	5.1
Transfers to Other Funds[2]	481	540	7.6	24.9	12.3
Subtotal	950	1,033	8.0	13.6	8.7
TOTAL	5,146	5,822	9.2	12.2	13.1

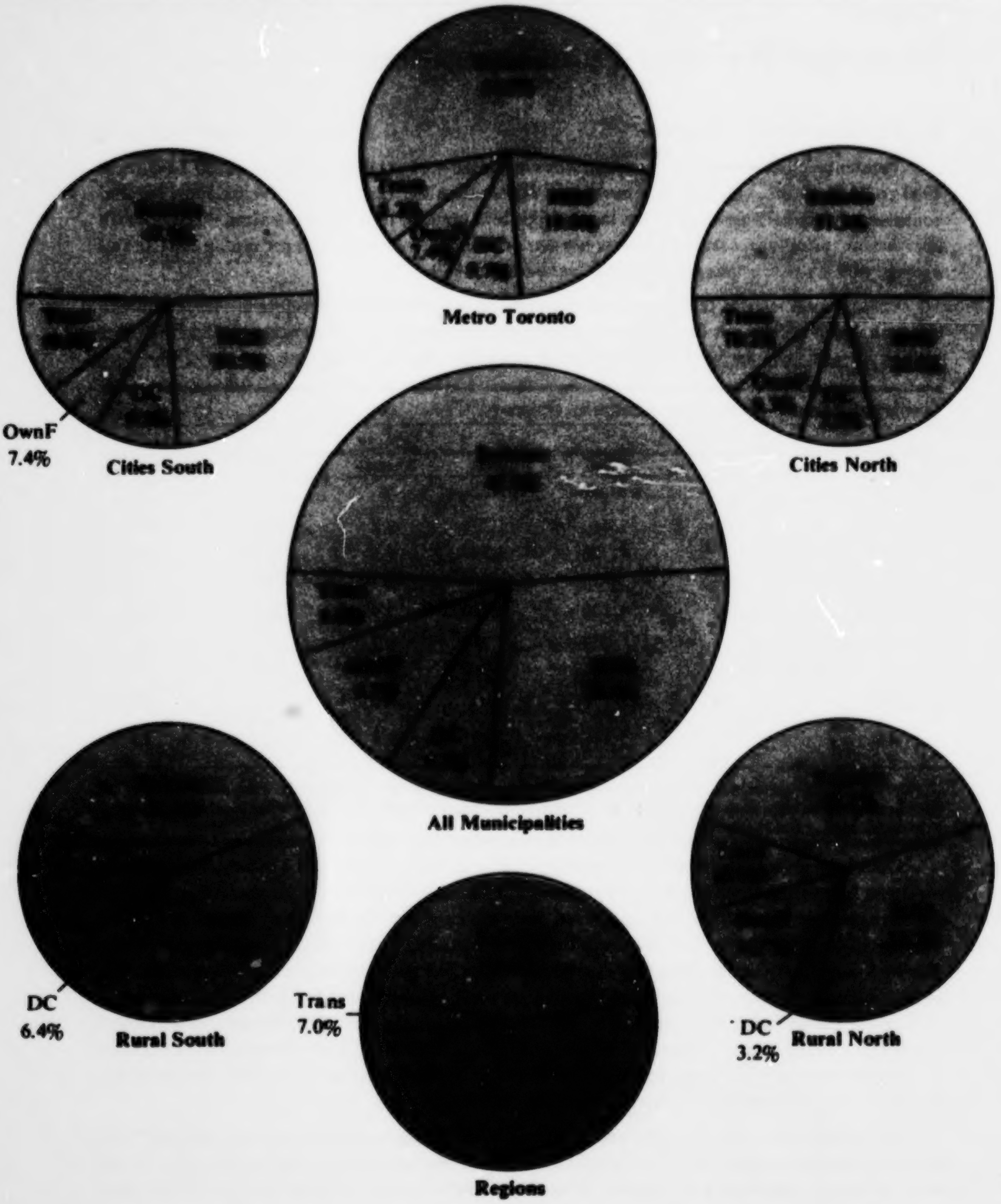
[1] Refers to direct payments to individuals, such as general welfare assistance, and contributions to unconsolidated boards, such as children's aid societies, conservation authorities, and other local organizations.

[2] Refers to capital fund, reserves and reserve funds.

Direct operating expenditures increased by 14.1 per cent to almost $4.8 billion. Payroll costs increased faster than other operating expenditures rising by 14.7 per cent, while the cost of materials and services rose by 14.2 per cent. However, financial expenses increased by only 8.7 per cent, a substantial decline from the rate of growth experienced in 1980. Amounts transferred to other funds to meet future years' capital expenditures dropped from a 24.9 per cent increase in 1980 to an increase of 12.3 per cent, compared to an average annual increase of 8.0 per cent reported during the period 1977-1979. The servicing of long term debt rose by only 5.1 per cent or $24 million and remained well below the average annual increase of 7.6 per cent during 1977-1979. Low increases in debt service charges during a period of high interest rates were achieved by reducing long term borrowing and paying for capital costs out of current or operating revenues.

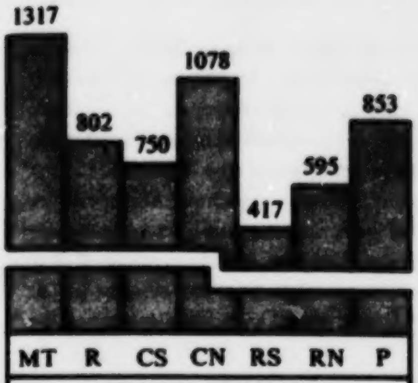
The single most important revenue fund expenditure item was salaries, wages, and employee benefits, which accounted for 47.6 per cent of the total. Municipalities in the rural south were the only exception; materials and supplies consumed a slightly larger portion of expenditures than salaries. The 39.4 per cent expenditure on materials and supplies by rural municipalities in southern Ontario also represented the highest level of all sectors. Debt charges represented approximately 8.5

Composition of Municipal Revenue Fund Expenditures
By Object and Type of Municipality, 1981 **Figure 2-1**

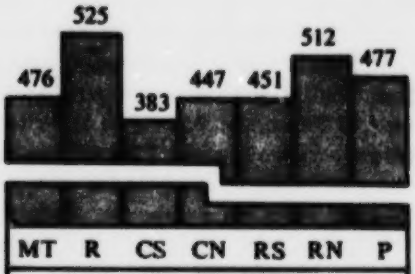


K E Y	**Salaries** = Salaries, Wages, & Employee Benefits **M&S** = Materials, Supplies, & Financial Expenses	**DC** = Debt Charges **OwnF** = Transfers to Own Funds **Trans** = Transfers

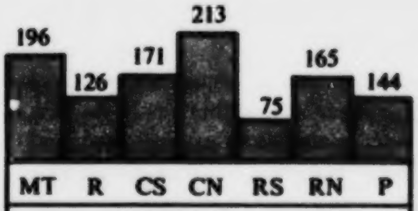
Municipal Revenue Fund Expenditures Per Household ($) **Figure 2-2**
By Object and Type of Municipality, 1981



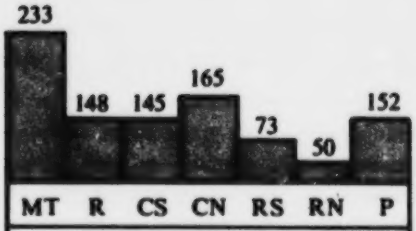
Salaries, Wages, &
Employee Benefits



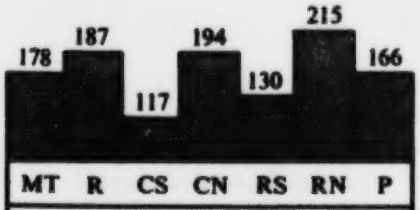
Materials, Supplies, &
Financial Expenses



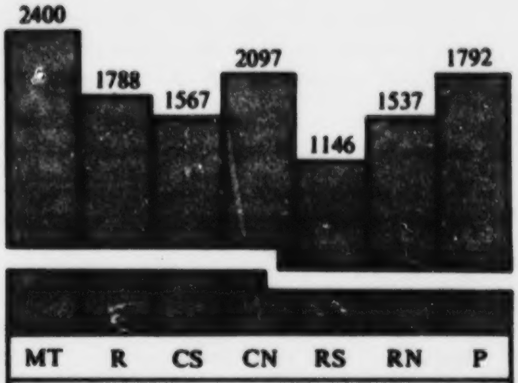
Transfers



Debt Charges



Transfers To Own Funds



Total Revenue Fund Spending

K E Y	MT = Metro Toronto CN = Cities North P = Province	R = Regions RS = Rural South	CS = Cities South RN = Rural North

per cent of all spending. Municipalities in the rural north, however, were well below the average, spending only 3.2 per cent on debt charges. This could be due in part to a pay-as-you-go approach towards capital spending. Fourteen per cent of the rural north's expenses were transfers to own funds, well above the provincial average of 9.3 per cent. The second highest level, at 10.5 per cent, was in the regions.

On a household basis, revenue fund expeditures ranged from $2,400 in Metropolitan Toronto to $1,146 in rural municipalities in the south. The provincial average was $1,792 per household. Operating expenses were highest in urban areas. Historically, rural areas offer fewer services or share services with adjoining urban municipalities. As evidenced in the composition of municipal revenue fund expenditures, rural municipalities in northern Ontario transferred the most, $215 per household, to own funds, compared to the provincial average of $166 per household, and spent the least, at $50 per household, on debt charges. Expenditures for materials and supplies consistently ranged between $400 and $500 per household in most areas of the Province, but the regions slightly exceeded $500 per household and cities in the south were slightly lower than $400 per household. On the other hand, expenditures per household on salaries and wages varied significantly across the Province, ranging from $417 per household in municipalites in the rural south to $1,317 per household in Metropolitan Toronto. This differential reflected the differing level and quantity of services provided in the types of municipalities and the number of full-time employees required to provide the services.

Expenditures by Function

Expenditures on all functions, except general government and planning and development, increased at a rate greater than the previous years' percentage change.

General government expenditures consisted mainly of salaries, wages, and financial expenses of municipal councils and general administration staff. They also included contributions to working reserves, contingencies, and sick leave insurance. Since general government expenditures have traditionally been labour related, its increase of 12.3 per cent from 1980 was in line with the inflation rate.

Spending on protection to persons and property increased 15.3 per cent from 1980 to a level of $1.1 billion in 1981. Police and fire services represented about 90 per cent of expenditures on protection. Both services increased by approximately 15.5 per cent from the previous year. Labour costs accounted for about four-fifths of total police costs, so much of the increase in expenditures was attributable to high wage settlements and to increased complements. Fire protection is also labour intensive and the reasons for the 15.7 per cent increase in fire services were similar to those for policing. Expenditure increases on police and fire services have been similar since 1977.

Transportation had the second highest percentage increase at 14.1 per cent. This was due primarily to the 20.6 per cent increase in public transit costs.

Expenditures on environmental services increased by $94 million or 12.2 per cent from 1980. Water services had the highest rate of growth, 16.7 per cent.

Spending on health and social services had an average increase of 13.7 per cent, about the same as the average for all functions. Expenditures on day nurseries and assistance to children increased significantly in 1981, 17.3 and 15.3 per cent respectively. Part of the increase in day nurseries and assistance to children can be attributed to social changes. The participation rate of women in the labour force has increased significantly over the past decade. Another significant social change that occurred in the 1970's has been the increase in single parent family households. If these trends persist in the 1980's, the implications are far reaching in terms of an increasing need for services relating to children.

Expenditure growth on culture and recreation and planning and development was relatively slow with increases of 12.0 and 3.3 per cent respectively. Library expenditures had the highest growth

Municipal Revenue Fund Expenditures by Function **Table 2-2**

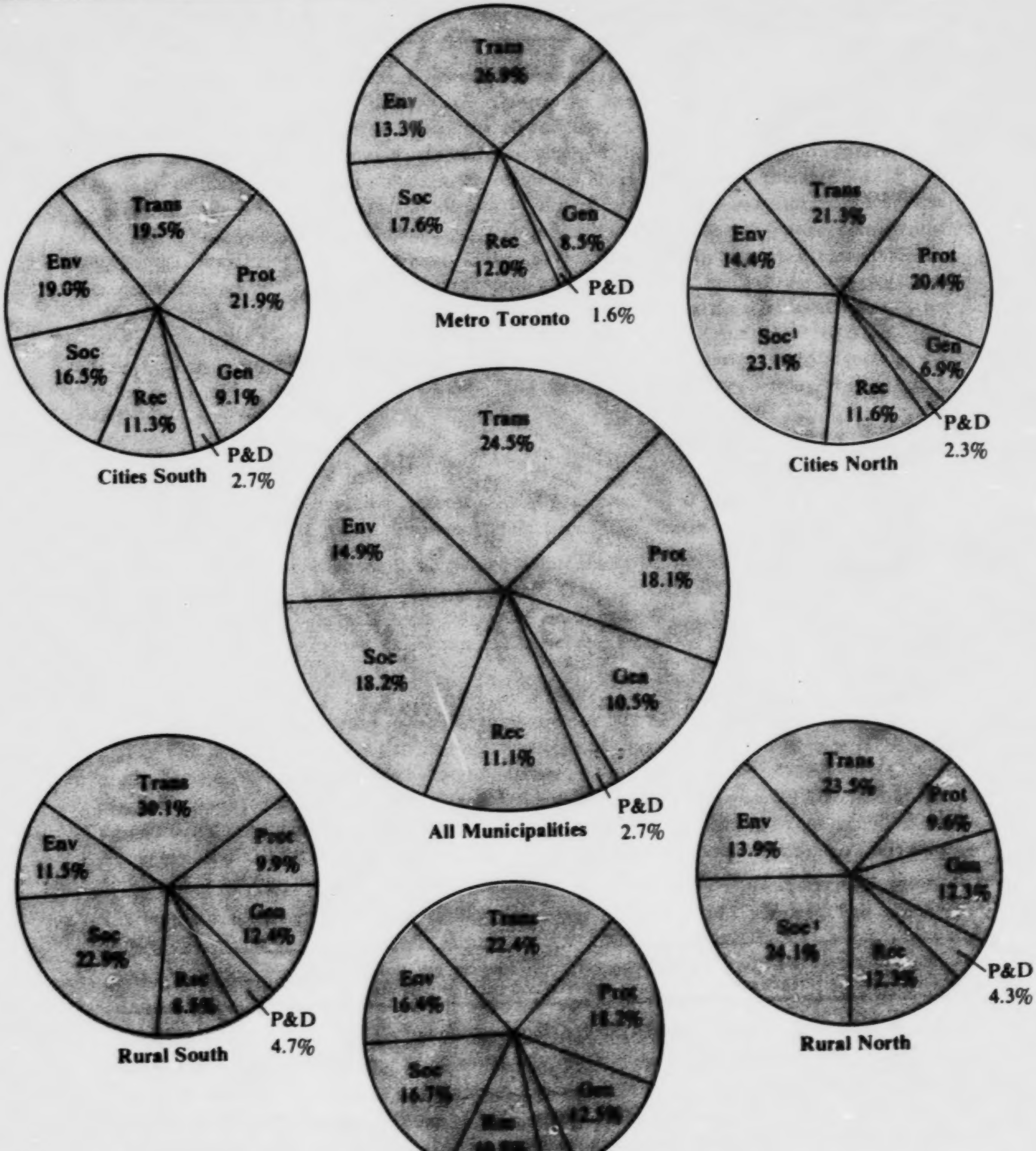
	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
General Government	546	613	12.1	19.5	12.3
Protection					
Police	502	580	9.2	12.8	15.5
Fire	293	339	9.4	12.7	15.7
Conservation	59	65	9.1	11.3	10.2
Other[1]	61	71	10.9	13.0	16.4
Subtotal	915	1,055	9.2	12.7	15.3
Transportation					
Roads	710	785	4.7	6.9	10.6
Transit	451	544	7.2	13.0	20.6
Other[2]	90	98	8.2	13.9	8.9
Subtotal	1,251	1,427	5.8	9.5	14.1
Environment					
Sewer	328	375	11.1	10.1	14.3
Water	275	321	8.5	8.7	16.7
Solid Waste	170	171	13.4	18.9	0.6
Subtotal	773	867	10.6	11.4	12.2
Health & Social Services					
Public Health	166	191	11.4	10.7	15.1
General Assistance	301	343	12.6	15.8	14.0
Elderly Assistance	268	298	11.6	13.6	11.2
Day Nurseries	52	61	11.0	18.2	17.3
Children's Aid	144	166	15.6	6.7	15.3
Subtotal	931	1,059	12.5	12.8	13.7
Culture & Recreation					
Parks & Recreation	393	436	7.4	11.3	10.9
Libraries	182	208	7.2	13.0	14.3
Subtotal	575	644	7.3	11.9	12.0
Planning & Development	152	157	14.1	18.8	3.3
TOTAL	5,143	5,822	9.3	12.5	13.2

[1] Includes protective inspection and control, emergency measures, and flood control.
[2] Includes parking, street lighting, municipal airports, and harbour commissions.

rate at 14.3 per cent. The 1981 growth rate for libraries followed a 13.0 per cent increase in library spending for the previous year. This indicates an expansion in the quantity and quality of that particular municipal service.

The composition of municipal revenue fund spending has not changed significantly for most functions since 1977. Trends are evident, however, in general government and transportation. In 1977, municipalities spent 9.5 per cent of the revenue fund on general government but gradually increased the expenditure each year so that in 1981, general government accounted for 10.5 per cent of total municipal spending. The increase in general government spending came at the expense of expenditures in transportation. In 1977, municipalities spent 26.5 per cent of their operating dollar on transportation and gradually decreased the expenditure each year. In 1981, municipalities in aggregate allocated 24.5 per cent of their revenue fund spending to transportation services.

Composition of Municipal Revenue Fund Expenditures By Function and Type of Municipality, 1981 Figure 2-3



KEY		
K E Y	Trans = Transportation Env = Environment Soc = Health & Social Services Rec = Culture & Recreation	P&D = Planning & Development Gen = General Government Prot = Protection

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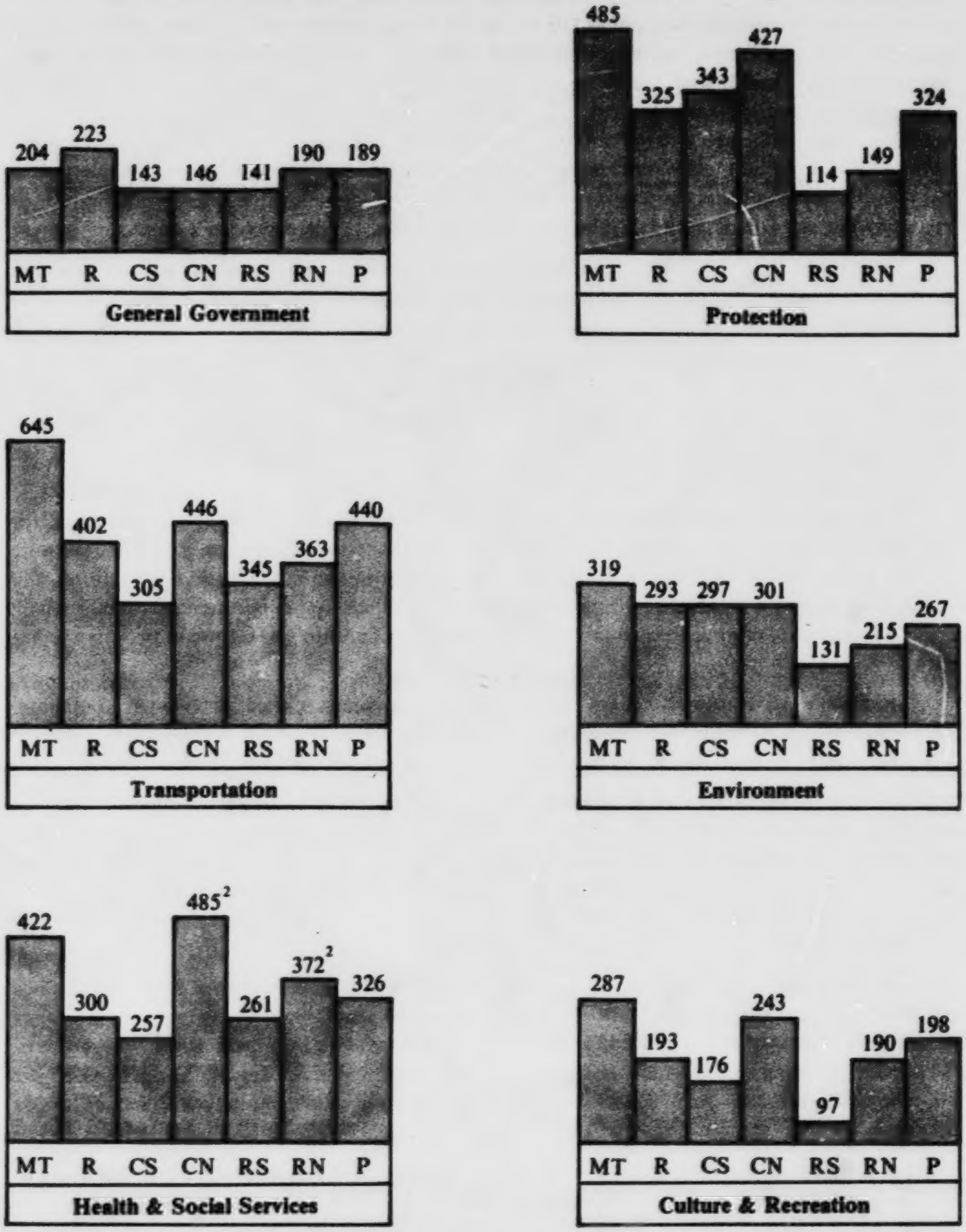
[1] Includes expenditures of district health and welfare boards and district homes for the aged which also service the population living outside of municipally organized areas.

Municipal Revenue Fund Expenditures Per Household ($) **Figure 2-4**
By Function[1] and Type of Municipality, 1981



K E Y	MT = Metro Toronto CN = Cities North P = Province	R = Regions RS = Rural South	CS = Cities South RN = Rural North

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[1] Planning and Development is not shown. The per household amounts are: MT = $38; R = $53; CS = $43; CN = $49; RS = $54; RN = $66; P = $48.

[2] Includes expenditures of district health and welfare boards and district homes for the aged which also service the population living outside of municipally organized areas.

The composition of expenditures varied considerably from one type of municipality to another. Transportation accounted for a large portion of municipal budgets, particularly in southern rural municipalities where 30.1 per cent of total expenditures was spent on the service. Protection costs were the second most important item in urban areas where they averaged 20 per cent of total expenditures. Protection costs accounted for about 10 per cent of rural expenditures. Northern municipalities and those in the rural south allocated approximately one-quarter of total expenditures to health and social services compared to about 17 per cent in the remaining municipalities. Spending on environmental services ranged from a low of 11.5 per cent for rural southern municipalities to 19.0 per cent for southern cities. The variance from the overall municipal average of 11.1 per cent for culture and recreation services was small except for municipalities in the rural south where 8.5 per cent was spent. Regions and rural municipalities allocated more of their resources toward planning and development than did cities or Metropolitan Toronto.

Total spending per household varied significantly among the six categories of municipalities. Expenditures ranged from a low of $1,143 for rural southern municipalities to a high of $2,400 for Metropolitan Toronto.

The highest levels of general government expenditure per household were in the regions and Metropolitan Toronto. The regions spent $223 and Metropolitan Toronto spent $204. The household costs were high for these municipalities, mainly because of relatively higher salaries and wages. Spending per household was also high in rural northern municipalities, but this was due largely to high material and supplies costs.

Expenditures on protection to persons and property ranged from $114 per household for municipalities in the rural south to $485 in Metropolitan Toronto. Many rural municipalities were policed by the Ontario Provincial Police at no direct cost to the municipality. In addition, fire services are supplied to most rural municipalities by volunteer fire departments. A factor which influenced the level of police expenditures in Metropolitan Toronto was the use of two-man police cars.

Metropolitan Toronto also spent the most on transportation services at $645 per household. The higher costs in urban municipalities were due largely to the provision of transit services. Most of the expenditures in rural communities went toward maintaining extensive road networks.

The average household expenditure on environmental services was $267. Spending on these services in rural areas was comparatively low. Rural residents normally provide these services privately. As a consequence, individual households arranged their own services by drilling wells, installing septic systems and disposing of solid wastes in municipal dump sites. Conversely, urbanized areas had extensive sewer and water systems, as well as extensive solid waste collection and disposal networks.

The high health and social services spending of $485 per household reported for northern cities is due to the fact that they include the operations of district health and welfare boards and district homes for the aged which, in addition to the cities, service the surrounding municipalities as well as the population living in municipally unorganized areas. The lowest level of spending was the $257 per household of southern Ontario cities followed by southern rural municipalities which spent $261 per household.

Spending on culture and recreation services ranged from $97 per household in the rural south to $287 in Metropolitan Toronto. The average municipal expenditure was $198 per household.

Planning and development was the smallest of all the municipal services. The variance from the provincial average of $48 per household was relatively small.

Revenues

Municipal operating revenues increased by $766 million to $5.9 billion in 1981. This represented a growth rate of 15.0 per cent, the highest rate since 1977.

Property taxation increased by 13.3 per cent from $2.2 billion in 1980 to $2.5 billion in 1981. Municipal tax levies accounted for about 91 per cent of total taxation in 1981, the same percentage as in 1980. Tax levies increased from $2.0 billion in 1980 to $2.2 billion in 1981, a 13.2 per cent increase. Municipal charges made up the balance, increasing 14.2 per cent from 1980. Municipalities determine their revenue requirements from taxation on the basis of the difference between expected revenues from all other sources and anticipated expenditures.

Payments in lieu of property taxes by all levels of government increased 11.6 per cent in 1981. The increase was slightly lower than the increase in taxation. Most of the increase came from non-provincial sources.

Municipal Revenue Fund Revenues By Source — **Table 2-3**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Taxation					
Property Taxes	1,976	2,237	8.3	9.5	13.2
Municipal Charges[1]	190	217	13.9	16.6	14.2
Subtotal	2,166	2,454	8.7	10.1	13.3
Payments In Lieu of Taxes					
Ontario	91	97	8.4	16.7	6.6
Other	108	125	7.6	20.0	15.7
Subtotal	199	222	8.0	18.5	11.6
Ontario Grants					
Unconditional	541	602	7.7	11.1	11.3
Conditional	941	1,087	8.8	10.2	15.5
Subtotal	1,482	1,689	8.4	10.5	14.0
User Fees					
Transit	271	319	10.0	9.3	17.7
Water	257	293	10.3	10.8	14.0
Homes for the Aged	101	113	13.7	16.1	11.9
Culture & Recreation	107	118	11.3	11.5	10.3
Other	170	198	23.5	15.6	16.5
Subtotal	906	1,041	12.7	12.0	14.9
Other Revenue	372	485	16.4	13.1	30.4
TOTAL	5,125	5,891	9.8	11.1	15.0

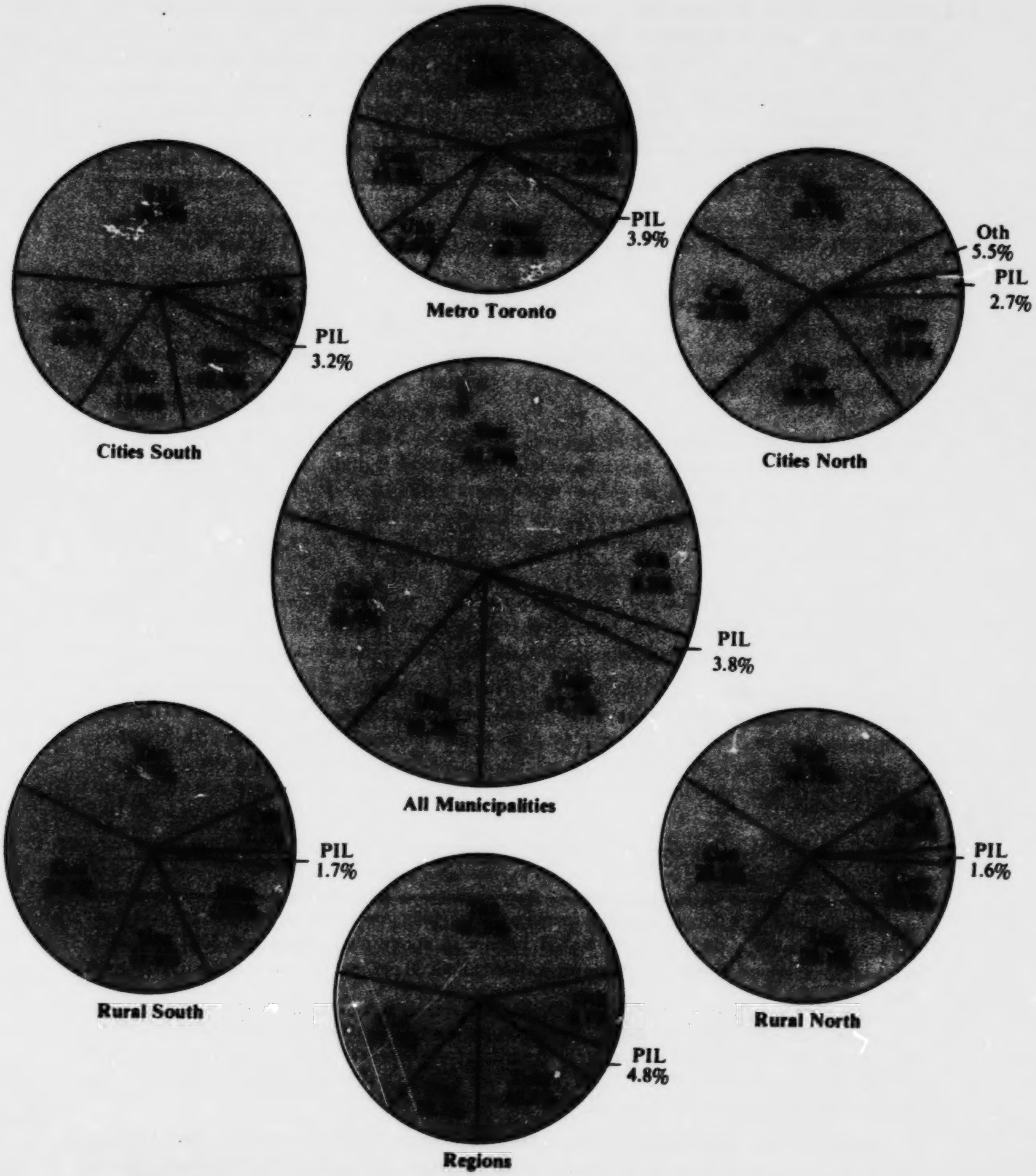
[1] Includes sewer surcharges.

Provincial grants to municipalities increased marginally faster than taxation in 1981, 14.0 per cent, to $1.7 billion. This included $1,087 million in conditional grants and $602 million in unconditional grants. Provincial grants represented about 30 per cent of total municipal revenues in 1981.

An increasingly important source of revenue for municipalities in 1981 was user fees. In 1981, this revenue source increased on average 14.9 per cent from the previous year. Revenues from transit fares increased the most at 17.7 per cent. The service with the lowest rate of growth in user fees was culture and recreation at 10.3 per cent.

Other revenues totalled $485 million in 1981, an increase of 30.4 per cent over 1980. The main components of other revenue were licences and permits, rents and concessions, interest and penalties on taxes, investment income, and contributions from other funds. The growth in other revenue, as well as in user fees, has been more rapid than that for taxation since 1977.

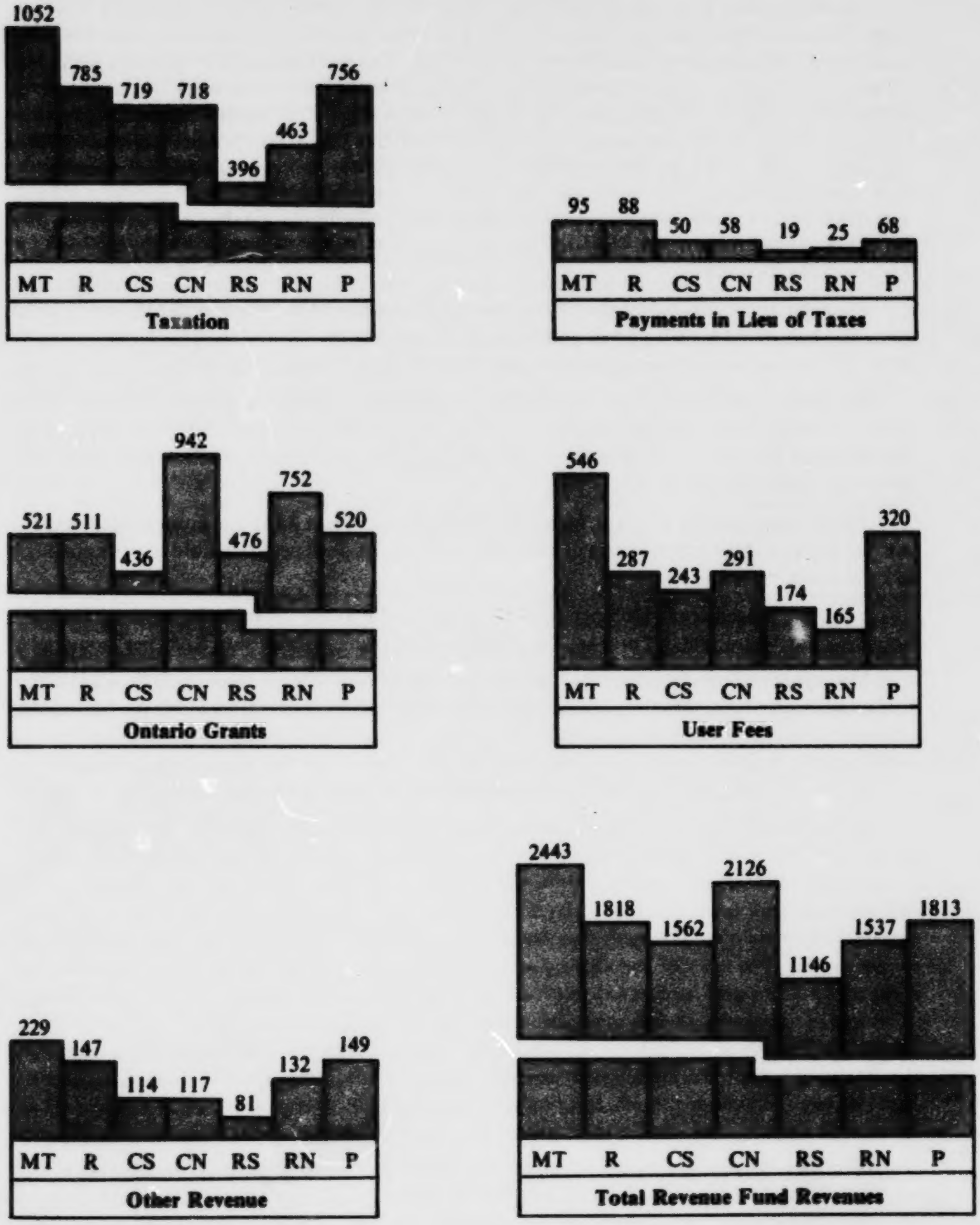
Composition of Municipal Revenue Fund Revenues By Source and Type of Municipality, 1981 **Figure 2-5**



KEY

Tax = Property Taxes
Con = Ontario Conditional Grants
Unc = Ontario Unconditional Grants
User = User Fees
PIL = Payments in Lieu of Property Tax
Oth = Other Revenue

Municipal Revenue Fund Revenues Per Household ($) **Figure 2-6**
By Source and Type of Municipality, 1981



KEY

MT = Metro Toronto
CN = Cities North
P = Province

R = Regions
RS = Rural South

CS = Cities South
RN = Rural North

In 1981, property taxation comprised 41.7 per cent of total municipal revenues. Payments in lieu of property taxes accounted for 3.8 per cent of revenues. Provincial grants provided 28.6 per cent of total revenues; 18.4 per cent from conditional grants and 10.2 per cent from unconditional grants. User fees represented the third largest source of revenue at 17.7 per cent. The balance of 8.2 per cent was made up from other revenue.

As was the case with expenditures, the composition of revenues varied considerably from one type of municipality to another. Reliance on property taxation in northern municipalities and those in the rural south was lower than the provincial average. This was due largely to relatively high levels of provincial grants to those municipalities. Furthermore, northern municipalities received the highest level of unconditional grants. Payments in lieu of taxes were slightly higher in urban areas where most institutional properties were located. User fees and other revenues were particularly important in Metropolitan Toronto where they accounted for 31.7 per cent of total revenues.

Total revenues per household varied significantly among the six types of municipalities. Revenues ranged from a low of $1,146 for southern rural municipalities to a high of $2,443 for Metropolitan Toronto.

Metropolitan Toronto had the highest level of taxation at $1,052 per household. Regions and cities had household taxation levels that were approximately the same as the provincial average of $756. The lowest level of taxation was in the rural south at $396 per household.

Payments in lieu of property taxes were a relatively small source of municipal revenue. In urban areas, payments in lieu ranged from $50 per household for southern cities to $95 per household for Metropolitan Toronto. Municipalities in the rural south received $19 per household and those in the rural north received $25 per household.

The average provincial grant to municipalities in 1981 was $520 per household. Northern municipalities had the highest levels of grants in the Province, $942 per household in cities and $752 in rural communities.

User fees ranged from $165 per household for rural municipalities in the north to $546 per household for Metropolitan Toronto. The average for all municipalities was $320 per household.

Metropolitan Toronto and the regions had the highest levels of other revenue, $229 and $147 per household respectively. Municipalities in the rural south had the lowest level at $81 per household.

Chapter 3

Municipal Capital Fund Operations

Expenditures

Capital spending by municipalities increased by 6.2 per cent from 1980 to 1981. In prior years, spending increased 5.0 per cent from 1979 to 1980 and averaged 2.2 per cent per annum from 1977 through 1979. Despite the effects of inflation, and increased demand for municipal services, total capital spending has remained relatively constant over the period 1977 to 1981. This reflects provincial and municipal financial restraint programs to counter high inflation and interest rates.

The highest growth rates in capital expenditures in 1981 were in transit, general government, planning and development, and water services. Municipal transit services reported a 35.3 per cent increase over 1980; the highest increase of all areas of capital spending. The main reason for the increase in transit spending was due to considerable outlays for transit vehicles. The increase in general government capital spending was 15.4 per cent. Planning and development had the third highest per cent increase in expenditures at 14.5 per cent. Planning and development services carried on by municipalities include planning and zoning operations, downtown re-development, industrial parks and land assembly, residential development (including public housing), reforestation, tile drainage, and projects carried out under The Shoreline Property Assistance Act. Expenditures on water services increased 14.1 per cent from 1980 to 1981. Other significant increases in capital expenditures included a 13.3 per cent increase for protection services as well as a 9.6 per cent increase for roads.

Significant decreases in capital expenditures in 1981 occurred in solid waste and social services. Municipal garbage collection and disposal expenditures decreased 59.3 per cent from 1980 to 1981. Expenditures on social services decreased 53.8 per cent during the same period of time. Other decreases in capital expenditures included a 5.6 per cent decrease in health services spending, and a 5.4 per cent decrease for culture and recreation. The range of services in the health function include public health, health inspection and control, capital costs of additions and new hospitals, ambulance services, and cemeteries. Parks and recreation services include (in addition to parks and recreational facilities) capital expenditures on museums, auditoriums, zoos, and art galleries.

A little under half of the aggregate capital expenditures in 1981 were allocated to transportation. Figure 3-1 illustrates the more urban the municipality, as reflected by population size and density, the greater the expenditure on roads and public transit. In the absence of adequate transportation funding, congestion costs could increase to unacceptable levels. While not having the population size of urban municipalities, municipalities in the rural south construct and maintain extensive road infrastructures. As a consequence, southern rural municipalities put 50.9 per cent of their capital expenditures towards transportation - the highest of all municipal sectors. In contrast to the rural south situation, transportation routes in the rural north were not as extensive. Provincially constructed and maintained highways, however, are important transportation routes for northern communities. With 27.5 per cent of capital expenditures on transportation services, the rural north had the lowest share of all types of municipalities. Expenditures for cities in southern and northern Ontario were comparable at 36.8 and 38.6 per cent respectively.

Approximately one-quarter of total municipal capital expenditures were on environmental services. The variance from the municipal average of 26.3 per cent was small, ranging from 23.8 per cent for the rural south to 29.6 per cent for southern Ontario cities.

Municipal Capital Fund Expenditures By Function **Table 3-1**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Own Expenditures					
General Government	39	45	4.2	(11.4)	15.4
Protection	45	51	1.5	15.4	13.3
Roads[1]	428	469	6.8	16.0	9.6
Transit	68	92	(26.4)	0.0	35.3
Sewer[2]	215	228	12.0	(8.5)	6.0
Water	92	105	(5.0)	(10.7)	14.1
Solid Waste	27	11	13.3	68.8	(59.3)
Health	18	17	5.3	157.1	(5.6)
Social Services	39	18	28.2	26.4	(53.8)
Culture & Recreation	130	123	(6.3)	0.8	(5.4)
Planning & Development	117	134	14.7	10.4	14.5
Total	1,218	1,293	2.2	5.0	6.2
Transfers					
Unconsolidated Local Boards	17	8	12.8	88.9	(52.9)
Individuals[3]	30	34	11.8	50.0	13.3
Other Funds [3]	13	18	4.0	(31.6)	38.5
Total	60	60	0.3	25.0	0.0
TOTAL APPLICATIONS	1,278	1,353	2.5	5.8	5.9

[1] Includes parking, street lighting, and air transportation.

[2] Includes pollution control. Prior years' publications reported this amount under Solid Waste.

[3] Prior years' publications reported these amounts under General Government.

About 10 per cent of expenditures in 1981 were for recreation services. As observed for transportation services, the more urban the municipal sector, the greater the expenditure on recreation services. Metropolitan Toronto and the regions allocated about 10 per cent of their capital expenditures for these services compared to about 8 per cent for rural municipalities.

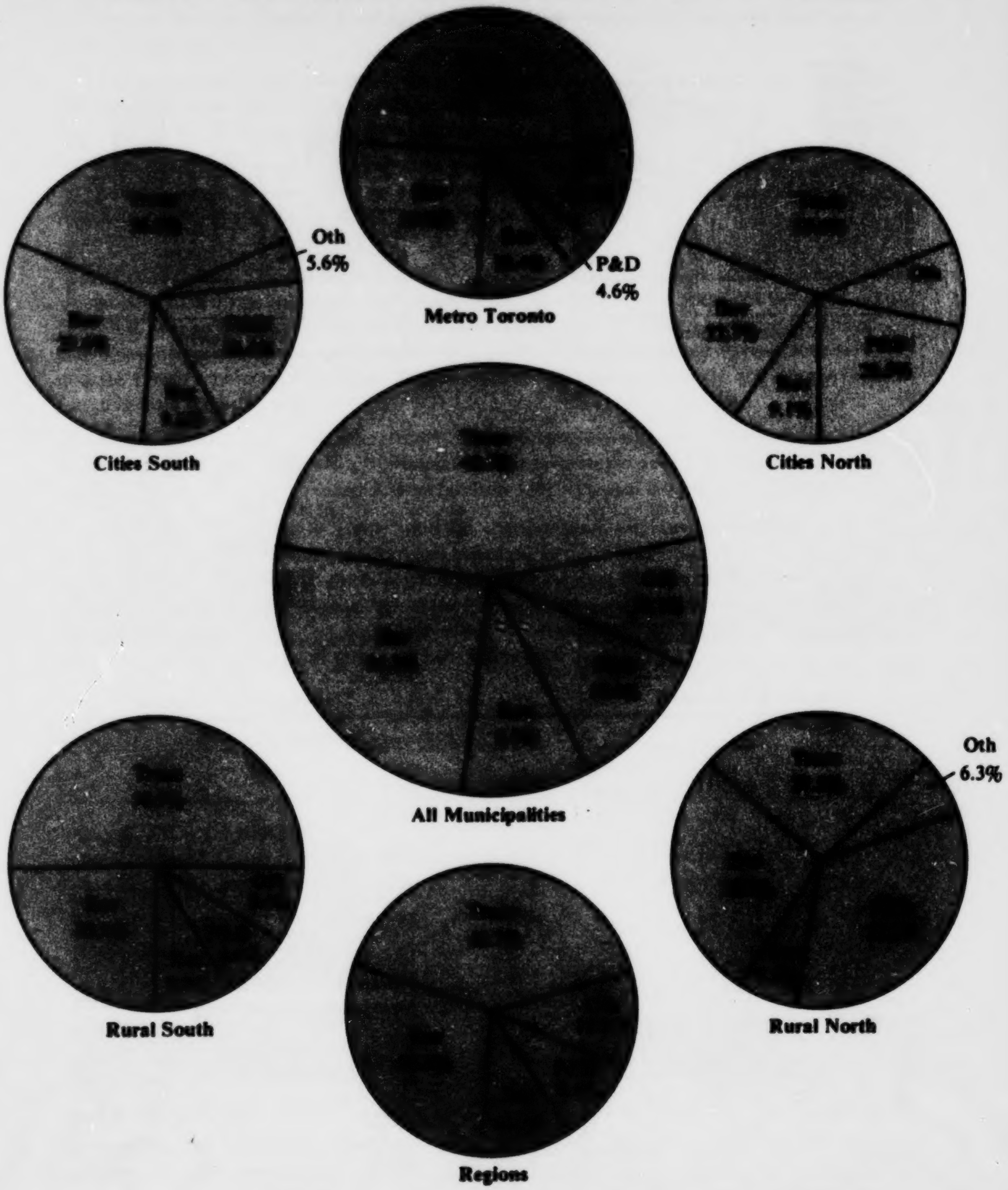
Capital expenditures on planning and development varied widely in the Province. Metropolitan Toronto had the lowest proportion, 4.6 per cent. Planning and development's share of total capital expenditures were higher in the north than the provincial average because some of the municipalities acted as a developer and serviced residential land for their population expansion.

The other functions (general government, protection, health and social services) accounted for the remaining 10 per cent of total municipal capital expenditures. These services demand relatively little in capital outlay and their capital expenditures have been fairly constant from year to year.

On a functional basis, capital spending per household on transportation services was higher in 1981 than all other services for all groups of municipalities except northern rural municipalities. The highest level of spending occurred in the regions at $197 per household. The lowest level of spending occurred in cities in the south at $109 per household.

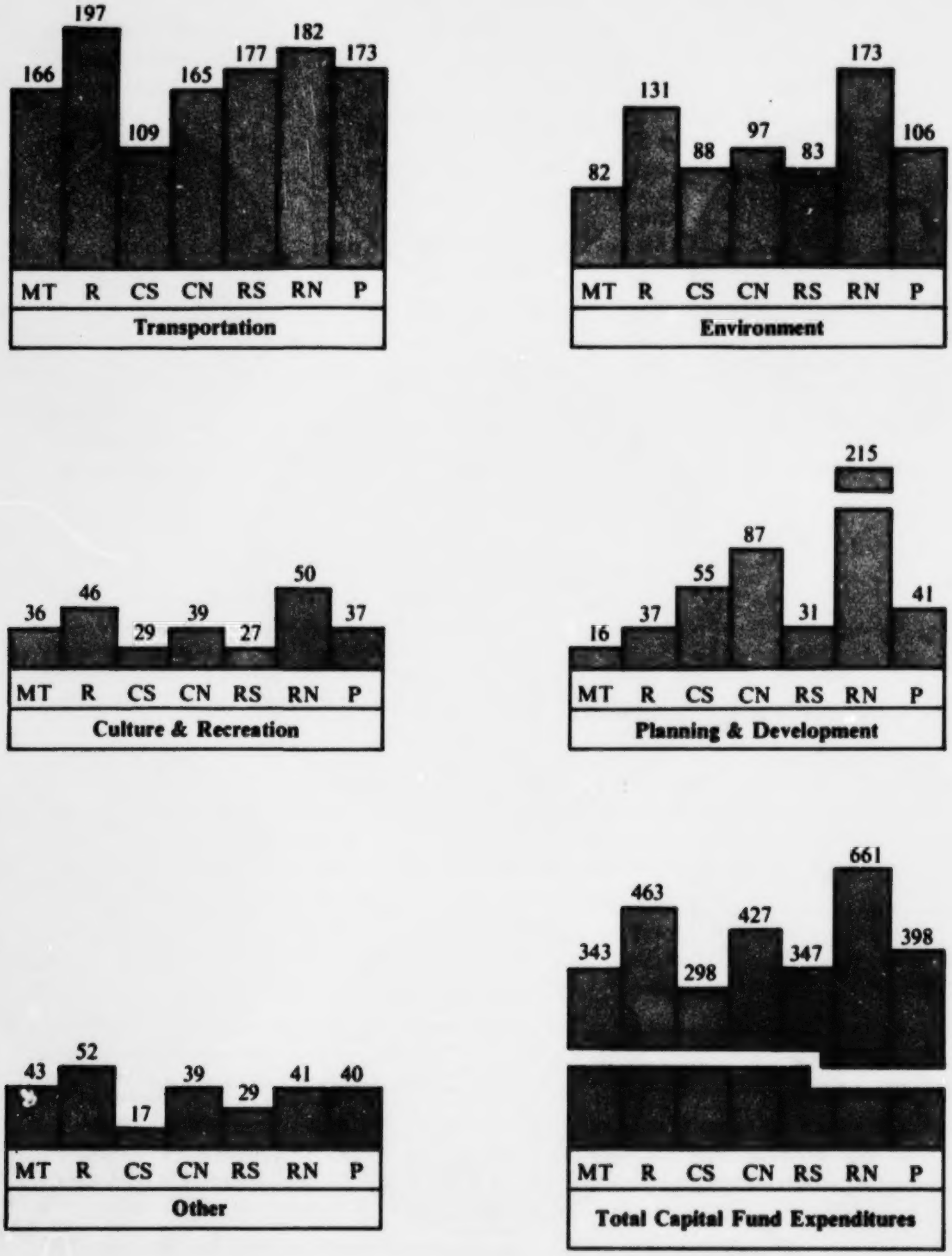
Environmental services ranked second overall in capital spending, except for rural northern municipalities, at $106 per household for the Province in 1981. At $173 per household, northern rural municipalities spent more than all other types of municipalities. Metropolitan Toronto, at $82 per household, spent the least.

Composition of Municipal Capital Fund Expenditures **Figure 3-1**
By Function and Type of Municipality, 1981



KEY		
	Trans = Transportation Env = Environment Rec = Culture & Recreation	P&D = Planning & Development Oth = Other

Municipal Capital Fund Expenditures Per Household ($) **Figure 3-2**
By Function and Type of Municipality, 1981



KEY			
K E Y	MT = Metro Toronto CN = Cities North P = Province	R = Regions RS = Rural South	CS = Cities South RN = Rural North

Average municipal spending on culture and recreation was $37 per household in 1981, the lowest level of the major municipal services.

Average household spending on planning and development was $41 per household in 1981 for the Province. The level of spending ranked from a low of $16 per household in Metropolitan Toronto to $215 in the rural north.

The other functions (general government, protection, health and social services) averaged $40 per household across the Province. Except for municipalities in the south, the per household amount spent by the rest were near the provincial average.

In total, $398 per household was spent on average by municipalities on capital projects in 1981. The rural north spent the most, $661 per household. With relatively low capital expenditures in most functions, cities in the south spent the least, $298 per household.

Revenues

In 1981, total municipal capital fund revenues were $1.4 billion, an increase of 4.8 per cent over 1980. A 9.3 per cent increase in transfers from other funds and a 15.0 per cent increase in Ontario grants were the principal sources of the growth in total revenues. The growth in revenues was less than the 5.9 per cent increase in capital applications. The difference reflects changes in unfinanced spending from the prior year.

Almost 60 per cent of the transfers from other funds came mainly from current revenues which increased 11.7 per cent. This was a substantially lower percentage increase than in the prior year. Capital financing from reserves and reserve funds in 1981 increased 6.0 per cent.

The bulk of the Ontario grants were for transportation and environmental services. In particular, grants for environmental services increased 29.6 per cent from 1980. Transportation grants accounted for about two-thirds of all capital grants received from the Province, and increased 12.6 per cent from the previous year. As indicated by successive percentage decreases shown in Table 3-2, the municipal sector, as a whole, has placed less emphasis on borrowing as a source of financing capital expenditures. The latter largely reflects higher interest rates.

Municipal Capital Fund Revenues by Source — Table 3-2

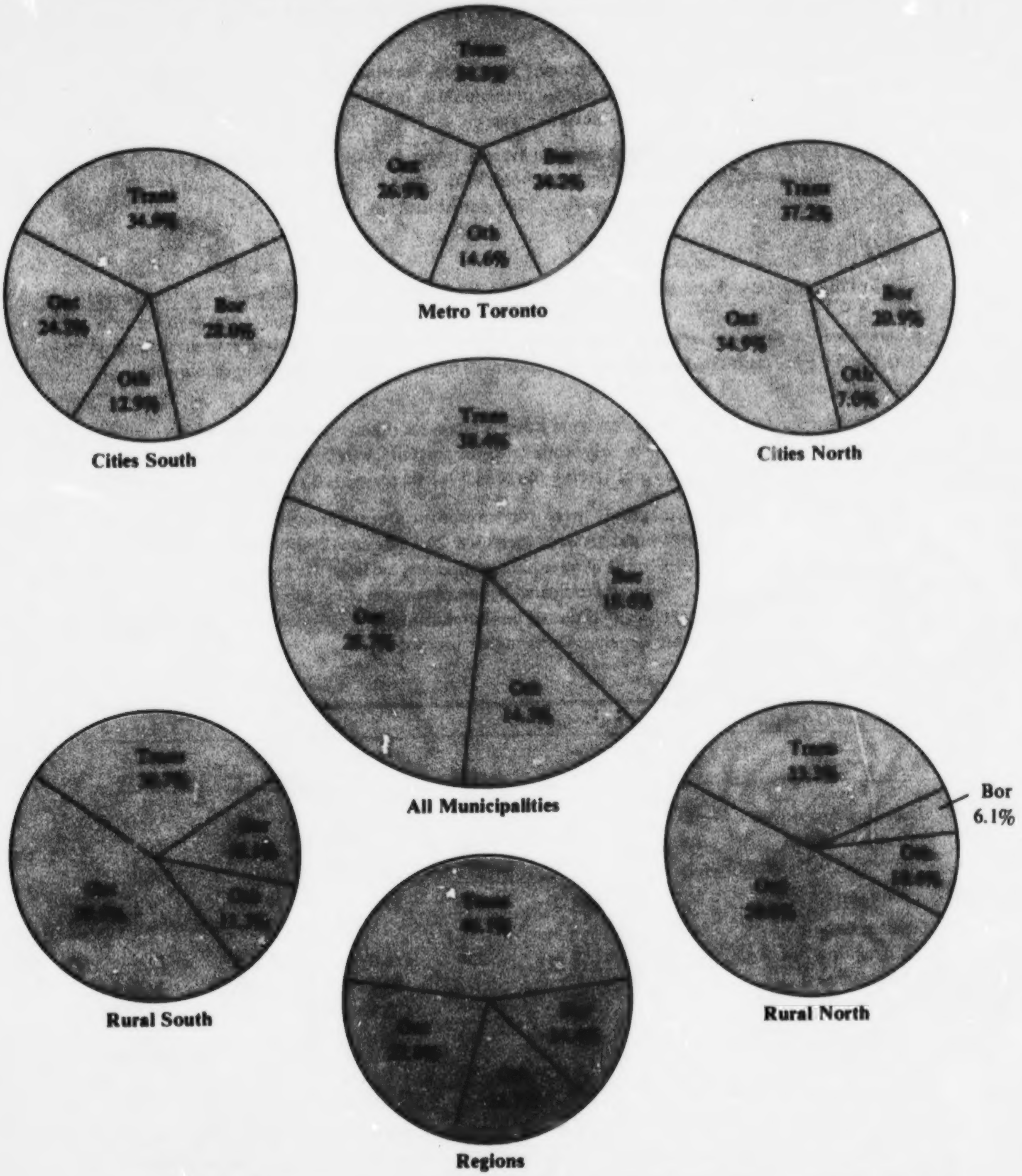
	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Transfers From Other Funds					
Revenue Fund	274	306	9.1	19.1	11.7
Reserves & Reserve Funds	200	212	23.4	2.6	6.0
Subtotal	474	518	15.1	11.5	9.3
Ontario Grants					
Transportation	222	250	(4.0)	11.6	12.6
Environment	71	92	28.4	(5.3)	29.6
Other	48	50	(0.8)	(12.7)	4.2
Subtotal	341	392	1.7	4.3	15.0
Other Revenue[1]	172	192	1.1	16.2	11.6
Long Term Borrowing[2]	307	254	(12.7)	(5.2)	(17.3)
TOTAL	1,294	1,356	(0.4)	5.6	4.8

[1] Includes grants and loans forgiveness from the Government of Canada, prepaid special charges, proceeds from sale of fixed assets, investment income, and donations.

[2] Includes transfers to individuals and unconsolidated local boards. See Table 3-1 for details.

Composition of Municipal Capital Fund Revenues
By Source and Type of Municipality, 1981

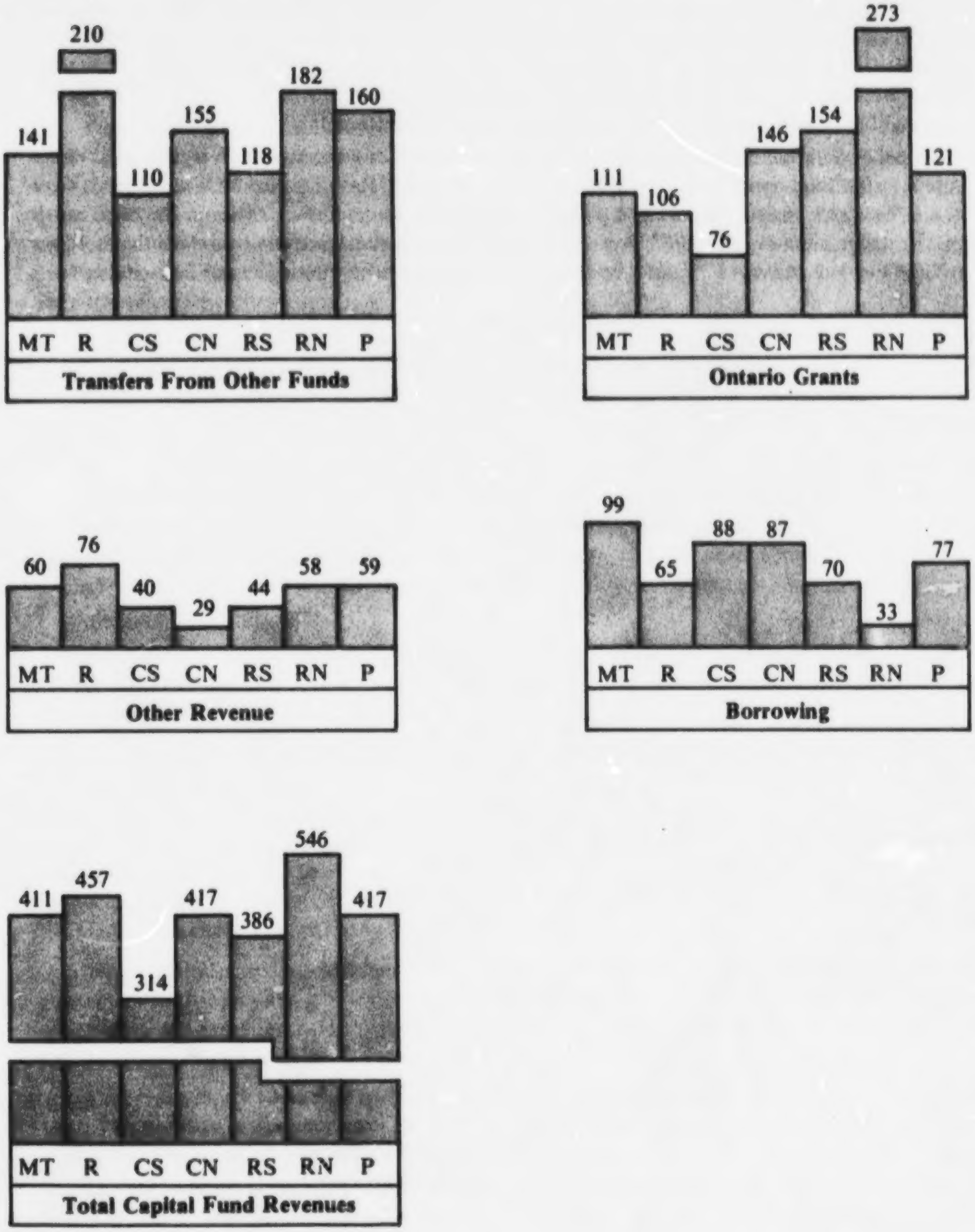
Figure 3-3



K E Y	Trans = Transfers From Other Funds Ont = Ontario Grants	Bor = Borrowing Oth = Other Revenue

Municipal Capital Fund Revenues Per Household ($) By Source and Type of Municipality, 1981

Figure 3-4



KEY

MT = Metro Toronto
CN = Cities North
P = Province
R = Regions
RS = Rural South
CS = Cities South
RN = Rural North

The composition of capital fund revenues varied considerably across the Province. Transfers from other funds represented approximately a third of total revenues in all municipalities. Transfers from other funds, however, was the source of financing for about half of regional capital spending. The high level of transfers from other funds in regions was due, in part, to reserves generated by lot levies. Ontario grants accounted for about one-quarter of total revenues for municipalities, and were particularly important to northern municipalities.

Long term borrowing amounted to 18.6 per cent of all capital fund revenues. Regions relied less on borrowing as a source of revenue than most municipal sectors because of its high level of transfers from other funds. Metropolitan Toronto, on the other hand, used borrowing to a greater extent than regions, because its transfers from other funds was proportionately less. Borrowing in all types of municipalities, except for the rural north, decreased in 1981 from 1980.

In per household terms, the use of transfers from other funds was highest in regions at $210 per household followed by the rural north at $182 per household. Revenues from Ontario grants were the lowest in the cities in the south at $76 per household while municipalities in the rural north received the greatest support at $273 per household. Metropolitan Toronto borrowed the most per household at $99, followed by cities in the south and north with about $88 per household.

Chapter 4

School Board Finances

Expenditures

Total spending by school boards in 1981 amounted to over $5 billion, a 12.1 per cent increase over 1980, and 41.2 per cent of the total local sector spending. The increase was $540 million compared to the $397 million growth between 1979 and 1980. Although salaries and wages grew at a greater rate than in 1980, other expenditures, such as services and supplies, as well as building, site, and computer rentals increased more rapidly than in prior years.Also, capital expenditures continued to rise contrary to the years prior to 1980 when they fluctuated between high and low from year to year.

Almost 96 per cent of revenue fund expenditures in 1981 were for operating purposes. This was consistent with the previous 5 years when the rate of inflation began to escalate rapidly. Capital expenditures rose by 19.8 per cent to $206 million as the Ministry of Education made funds available to provide school accommodation in new housing developments and for renovations to existing schools.

Salaries accounted for 79.1 per cent of revenue fund spending in 1981. Despite a drop in elementary school enrollment of 1.2 per cent, the number of elementary school teachers increased by 0.3 per cent, 155 positions, and the average salary rose by 12.1 per cent. Since 1977, the average annual increase in salaries was 12 per cent. Enrollment declined 7.9 per cent and teaching positions were reduced by 7.0 per cent.

Secondary school enrollment decreased by 3 per cent in 1981, and teaching positions declined by 1.9 per cent, 658 teachers. However, salaries advanced by 13.2 per cent, which was greater than the 9.6 per cent increase in salaries in 1980.

Between 1977 and 1981, the average salary of elementary school teachers rose 41 per cent to $34,400, while that of the secondary school teacher rose 50 per cent to $38,600. The elementary school student/teacher ratio declined from 23.6 in 1980 to 23.2 in 1981, while the secondary school student/teacher ratio declined from 17.3 to 17.1. Although a major part of school board financing in the years 1970 to 1975 was to upgrade elementry school teachers' salaries and student/teacher ratios to levels closer to that of secondary schools, in 1981, the salary differences were similar to 1975 and the student/teacher ratio had spread a further 3 points.

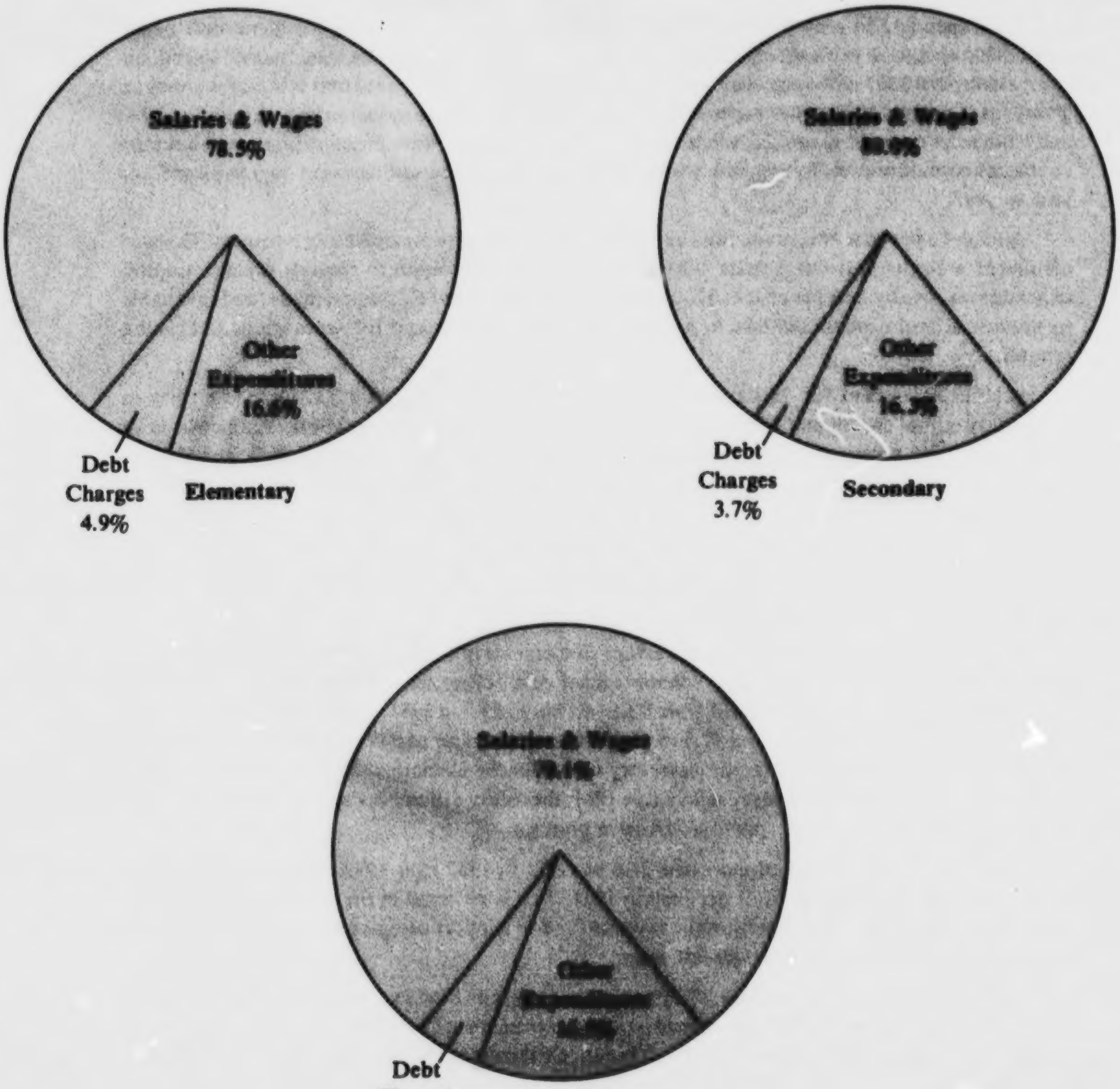
While capital spending had increased 24.6 per cent in 1980 over 1979, debt charges for both elementary and secondary schools declined in 1981. This is reflected in the revenue fund revenues which show substantial transfers from the revenue fund to support capital projects in order to avoid borrowing in times of escalating interest rates.

Other non-salary costs rose from 16.1 per cent of revenue fund expenditure to 16.5 per cent in 1981. The non-salary costs for both elementary and secondary schools were higher than the rate of inflation as measured by the Consumer Price Index (CPI) increase, which was 12.5 per cent. Heating and lighting costs are significant components of non-salary costs and these increased at a rate greater than the CPI change in 1981.

Revenues

Total school board current revenues increased from $4.5 billion to over $5 billion in 1981, an increase of 12.8 per cent. This was the largest growth in revenues since 1977. The most significant

Composition of School Board Revenue Fund Expenditures, 1981 **Figure 4-1**



School Board Expenditures **Table 4-1**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Revenue Fund[1]					
Elementary					
Salaries - Teacher	1,614	1,817	8.8	10.2	12.6
- Other	378	423	5.2	11.2	11.9
Debt Charges	140	139	0.4	0.0	(0.7)
Other Expenditures	409	474	7.9	11.4	15.9
Subtotal	2,541	2,853	7.4	9.9	12.3
Secondary					
Salaries - Teacher	1,153	1,281	8.6	7.5	11.1
- Other	257	289	5.0	11.7	12.5
Debt Charges	74	72	1.4	(2.6)	(2.7)
Other Expenditures	284	320	9.2	11.4	12.7
Subtotal	1,768	1,962	7.8	8.2	11.0
Total Expenditures					
Revenue Fund	4,309	4,815	7.6	9.2	11.7
Capital Fund	172	206	7.0	24.6	19.8
Total	4,481	5,021	7.5	9.7	12.1
Revenue Fund Expenditure per:					
Elementary Student ($)	2,049	2,329	10.4	11.5	13.7
Secondary Student ($)	3,015	3,450	9.0	10.7	14.4

[1] Excludes transfers to capital fund, reserves, and reserve funds.

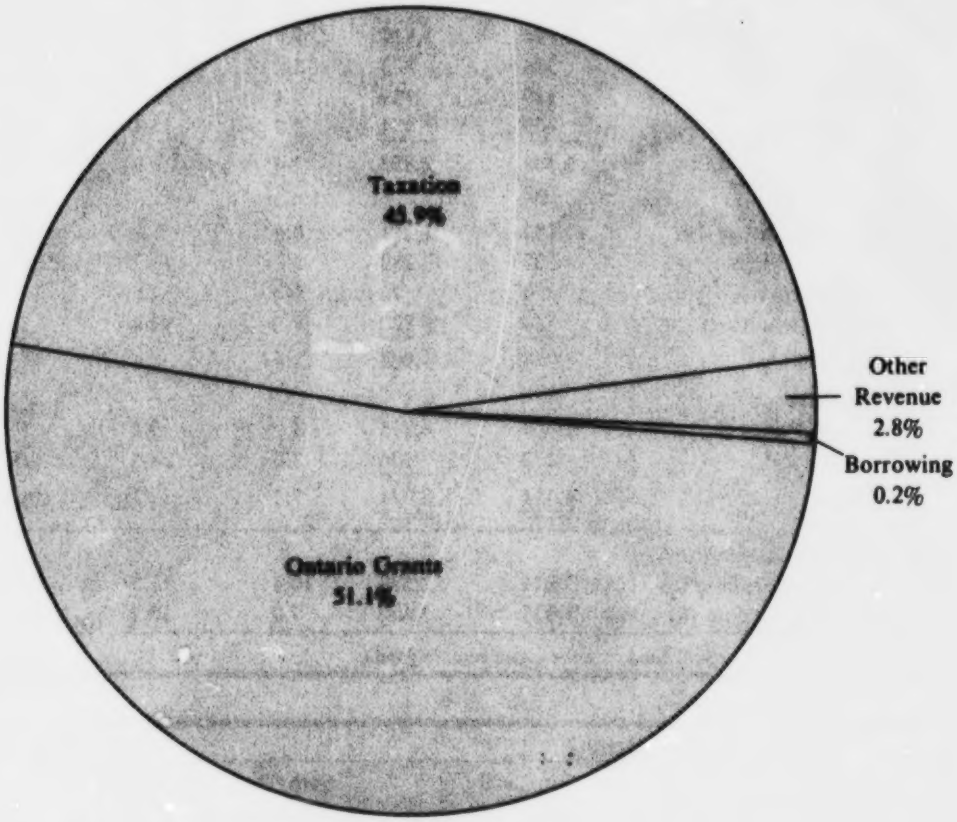
School Board Enrollment & Staffing **Table 4-2**

	1980	1981	1979/77 Annual	1980/79	1981/80
			%	%	%
Elementary					
No. of Students	1,240,274	1,224,880	(2.7)	(1.5)	(1.2)
No. of Teachers	52,653	52,808	(2.9)	(1.7)	0.3
Student/Teacher Ratio	23.6	23.2	0.0	0.4	1.7
Avg. Teacher's Salary ($)[1]	30,700	34,400	12.0	12.0	12.1
Secondary					
No. of Students	586,261	568,635	(2.6)	(2.3)	(3.0)
No. of Teachers	33,840	33,182	(1.4)	(1.9)	(1.9)
Student/Teacher Ratio	17.3	17.1	0.0	(0.6)	(1.2)
Avg. Teacher's Salary ($)[1]	34,100	38,600	10.1	9.6	13.2

[1] Includes fringe benefits.

sources were property taxes and Provincial grants. Taxation rose 13 per cent, $267 million, over 1980 to $2.3 billion, and was the source of 45.9 per cent of current revenues. Provincial grants increased 12 per cent or $272 million to $2.5 billion, which was 51.1 per cent of current revenues. Although other revenues and payments in lieu of taxes play a minor role in the financing of elementary and secondary education, it is noteworthy that in 1981, they had the largest percentage increase of all sources of current financing.

Composition of School Board Revenues, 1981 **Figure 4-2**



All School Boards

Current revenues is the only major non-borrowing source for capital expenditures. The $34 million increase in capital spending by school boards in 1981 was more than matched by a $45 million increase in transfers to the capital fund from the revenue fund.

School Board Revenues **Table 4-3**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Revenue Fund[1]					
Property Taxes	2,048	2,315	9.5	11.9	13.0
Payments in Lieu of Taxes[2]	25	29	9.4	11.6	16.0
Ontario Grants	2,276	2,548	10.8	11.1	12.0
Other Revenue[2]	114	141	26.3	(1.8)	23.7
Subtotal	4,463	5,033	7.2	11.2	12.8
Capital Fund					
Transfers From Revenue Fund	144	189	6.9	108.7	31.3
Long Term Borrowing	45	9	9.5	(25.0)	(80.0)
Subtotal	189	198	7.8	46.5	4.8
TOTAL[3]	4,508	5,042	7.1	10.7	11.8

[1] Excludes transfers from capital fund, reserves, and reserve funds.

[2] Not comparable with prior years' publications because of reporting adjustments.

[3] Does not equal to sum of subtotals because transfers from the revenue fund are included in both the capital fund and property taxes lines.

Long term borrowing, as a source of financing capital projects, decreased significantly in 1981 as a result of a change in provincial policy. Prior to March, 1980, school boards borrowed for their capital needs from the Ontario Education Capital Aid Corporation (O.E.C.A.C.), a provincial agency, and the related annual debt charges were subsidized by the Province through the normal operating grants school boards receive annually. This indirect method of providing grants for capital projects was replaced by up-front direct grants paid to school boards at the time the capital expenditure occurs. O.E.C.A.C. has since ceased to provide long term funds to school boards. School boards now can either borrow long term funds directly from the public markets or ask municipalities to do so on their behalf. The only exception to this rule applies to the Metropolitan Toronto school boards which are required by statute to borrow through Metropolitan Toronto. For those school boards which may encounter difficulties in borrowing needed funds from the public markets, the Ontario Municipal Improvement Corporation (O.M.I.C.) will provide the funds in its capacity of lender of last resort.

Chapter 5

Property Taxation

Total Taxes Levied

The total property tax yield, including school purposes taxation, for all municipalities in Ontario increased by 13.2 per cent between 1980 and 1981 to approximately $4.8 billion. Municipal tax revenues, including municipal charges, rose by about the same, at 13.3 per cent to $2.5 billion. The year increase for municipalities was greater than that between 1979 and 1980 and was almost five percentage points higher than the annual average experienced between 1977 and 1979.

The growth in tax revenue for school boards exhibited the same pattern as municipal taxes. The overall increase was 13.0 per cent in 1981 compared to the 11.9 per cent and 9.5 per cent experienced in the 1980/79 and annually in the 1977 to 1979 periods respectively.

Across the Province total tax revenue growth varied considerably ranging from 11.4 per cent in municipalities in the rural south to 15.1 per cent in the cities in northern Ontario. Generally, increases were higher in urban areas compared to rural areas. This contrasts with the increases that occurred in 1980 when urban tax revenues increased slower than rural. In that year, the increases ranged from 9.6 per cent in Metropolitan Toronto to 13.6 in rural northern municipalities.

Taxation is a balancing item, in that municipalities set their mill rates to make up the difference between total expenditures and all non-tax sources of revenue. Consequently, when expenditures increase rapidly so does taxation; this occurred between 1980 and 1981 when total municipal own purpose expenditures increased by 13.1 per cent. This increase in expenditures, however, was offset to a large extent by growth in non-tax sources of revenue such as Ontario grants and user fees, which grew by 14.0 per cent and 14.9 per cent respectively. Consequently, tax increases were held to a minimum for the situation.

Assessment Changes

Municipal taxes and school board taxes are raised by applying mill rates to the local assessment in a municipality. The next two sections examine these items.

Total local assessment grew by 2.0 per cent between 1980 and 1981. This was a slower growth rate than in the previous four years. Residential and farm assessment increased at a more moderate pace than commercial and industrial assessment, at 1.7 per cent in comparison to 2.5 per cent.

A breakdown by type of municipality reveals a relatively narrow range of increases, from 1.7 per cent in Metropolitan Toronto to 2.3 per cent in the regions. The remaining types of municipalities were distributed between these two extremes.

A breakdown of assessment increases by type of property, that is, residential and farm, and commercial and industrial shows a different distribution. Residential assessment grew by only 1.0 per cent in Metropolitan Toronto compared to 3.3 per cent in rural northern municipalities. This was the lowest rate of growth for Metropolitan Toronto in the past four years. On the commercial and industrial side, the lowest rate of increase was in rural northern municipalities at 1.1 per cent and the highest in Metropolitan Toronto at 2.9 per cent.

Mill Rates Changes

Total mill rates increased on average by 10.4 per cent for all municipalities in the Province. This was the first year in which there was an provincial average increase in the double digit range.

Property Taxes Levied by Purpose and Type of Municipality **Table 5-1**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Metro Toronto					
Municipal	765	857	9.4	9.8	11.9
School	729	824	6.7	9.5	13.0
Total	1,494	1,681	8.1	9.6	12.4
Regions					
Municipal	801	922	8.8	10.2	15.1
School	748	849	11.4	13.0	13.6
Total	1,549	1,771	10.1	11.5	14.3
Cities South					
Municipal	267	302	7.0	9.4	13.2
School	213	241	10.0	11.5	13.2
Total	480	543	8.3	10.3	13.2
Cities North					
Municipal	63	74	6.5	8.6	17.2
School	55	62	10.8	17.0	12.7
Total	118	136	8.3	12.4	15.1
Rural South					
Municipal	220	244	9.0	11.1	10.9
School	260	290	11.8	14.5	11.5
Total	480	534	10.3	12.9	11.4
Rural North					
Municipal	49	56	7.1	11.4	13.9
School	43	48	10.2	16.2	10.4
Total	92	104	8.5	13.6	12.3
Total Local Government					
Municipal	2,166	2,454	8.7	10.1	13.3
School	2,048	2,315	9.5	11.9	13.0
Total	4,214	4,769	9.1	11.0	13.2

Municipal mill rates increased by 10.7 per cent while those set by school boards rose slightly more moderately at 10.1 per cent.

As shown in table 5-3, total increases across the Province were divided roughly into two groups with three of the six sectors reporting increases greater than 10 per cent and three reporting increases less than 10 per cent. The largest growth was the 12.4 per cent of the cities in the north while the cities in the south had the smallest at 9.0 per cent. Most of the variance can be explained by the different rates of increase in municipal purposes mill rates. The cities in the north had an average increase of 15.1 per cent while the cities in the south showed an increase of only 9.3 per cent. Since mill rates are set to provide a given level of tax revenues after assessment growth has been considered, it is not surprising to see that municipal purposes taxation rose by 17.2 per cent in northern Ontario cities in 1981 and 13.2 per cent in cities in the south.

Assessment Changes by Property Class And Type of Municipality **Table 5-2**

	1979/77 Annual	1980/79	1981/80
	%	%	%
Residential & Farm			
Metro Toronto	2.7	2.5	1.0
Regions	4.5	3.5	2.1
Cities South	3.5	4.0	2.4
Cities North	3.9	2.7	2.1
Rural South	3.6	2.6	1.7
Rural North	1.0	5.2	3.3
Provincial Average	3.7	3.0	1.7
Commercial & Industrial			
Metro Toronto	2.1	2.0	2.9
Regions	3.2	4.1	2.7
Cities South	2.2	4.2	1.4
Cities North	1.5	1.8	2.1
Rural South	3.6	1.8	2.1
Rural North	(2.9)	3.1	1.1
Provincial Average	2.3	2.9	2.5
All Properties			
Metro Toronto	2.4	2.3	1.7
Regions	4.1	3.7	2.3
Cities South	3.0	4.1	2.0
Cities North	2.5	2.3	2.1
Rural South	3.4	2.8	1.8
Rural North	(1.0)	3.7	2.2
Provincial Average	3.2	3.0	2.0

Property Tax Yield by Tax Class

In 1981, $2.7 billion was raised on properties taxed at the residential rate, with a further $2.0 billion being contributed by commercial and industrial properties. Between 1980 and 1981 tax revenues fromcommercial and industrial properties grew by 14.2 per cent compared to the 12.4 per cent increase imposed on residential properties. This resulted in a slight shift in the burden of taxes between classes with commercial properties now accounting for 43.0 per cent of total tax revenues. This compared to the average of 42.6 per cent between 1977 and 1979. Table 5-4 shows the breakdown in tax yield between properties taxed at the residential and commercial rates in 1981. Figure 5-1 shows the composition of tax revenues for the Province as a whole and for each of the six sectors in 1981.

As figure 5-1 shows, there was a significant variance between municipalities in the composition of tax revenues. Municipalities in the rural south were primarily dependent on properties taxed at the residential rate, with 68.9 per cent of their property taxes coming from this source. Naturally, one would expect this type of distribution in the rural south since rural municipalities tend to be predominantly agricultural and farm properties are taxed at the residential rate.

Mill Rate Changes by Purpose and Type of Municipality Table 5-3

	1979/77 Annual	1980/79	1981/80
	%	%	%
Municipal			
Metro Toronto	6.9	6.1	8.8
Regions	3.7	3.6	12.0
Cities South	3.9	6.8	9.3
Cities North	5.1	6.8	15.1
Rural South	5.1	7.9	10.9
Rural North	5.6	8.6	10.9
Provincial Average	4.7	5.4	10.7
School			
Metro Toronto	4.5	3.6	10.1
Regions	7.6	5.1	10.4
Cities South	7.0	5.9	8.7
Cities North	8.0	11.4	9.5
Rural South	8.0	10.3	11.2
Rural North	10.1	8.5	8.0
Provincial Average	6.6	5.6	10.1
Total			
Metro Toronto	5.6	4.8	9.4
Regions	5.6	4.4	11.1
Cities South	5.3	6.4	9.0
Cities North	6.5	9.0	12.4
Rural South	6.7	9.2	11.0
Rural North	7.6	8.6	9.5
Provincial Average	5.6	5.5	10.4

In contrast, Metropolitan Toronto receives only 48 per cent of its tax yield, including municipal charges, from residential properties. Metropolitan Toronto has a more evenly distributed tax base as commercial and business taxes make up 52.0 per cent of total taxation, including municipal charges.

This distribution has been relatively constant over the past five years across the Province. However, a few trends appear evident. Metropolitan Toronto municipalities appear to have undergone a shift in the tax burden towards commercial properties whose portion has gone from 50.9 per cent to 52.0 per cent of the total taxes. Using 1981 taxes as a base, this amounts to about $27 million or roughly $33 per household. This is likely a result of a more rapidly expanding commercial and industrial assessment base compared to the residential side.

During the same period municipalities in the rural north have been faced with a low or negative rate of expansion of the commercial and industrial assessment base and have had to depend more on residential properties. Taxes and municipal charges for these properties have increased from 51.5 per cent of the total to 53.8 per cent. Again based on 1981 figures, this represents about $2.4 million or $20 per household.

Property Taxes by Tax Class **Table 5-4**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Properties Taxed At Residential Rate					
Realty Taxes	2,330	2,621	10.2	9.2	12.4
Municipal Charges	90	98	18.1	13.9	8.9
Subtotal	2,420	2,719	10.5	9.4	12.4
Properties Taxed At Commercial Rate					
Realty Taxes	1,169	1,327	8.5	12.8	13.5
Business Taxes	525	602	7.4	13.1	14.6
Municipal Charges	100	119	14.7	16.8	19.0
Subtotal	1,794	2,048	8.3	13.2	14.2
TOTAL PROPERTY TAXES	4,214	4,769	9.1	11.0	13.2

Residential Property Tax Burden and Tax Offsets

Total average tax on a single family residence in Ontario was $883 in 1981, up 10.4 per cent from 1980. The total tax was made up of $421 for municipal purposes, $30 for service charges, and $432 for school purposes. These components rose by 10.7 per cent, 7.1 per cent, and 10.2 per cent respectively. Table 5-5 shows the level and change in taxes for 1981.

As one might expect there was a large variation in the level of single family taxes across the Province, ranging from a high of $1,116 in Metropolitan Toronto to a low of $430 in rural northern municipalities. A number of factors lie behind the difference in residential taxes. In particular, the number and level of services is significantly different in the various parts of the Province. Urban municipalities in the south offer a much wider range of services than rural municipalities, particularly those in northern Ontario, and this is reflected in higher taxes per household. In addition, rural municipalities receive higher grant levels from the Province.

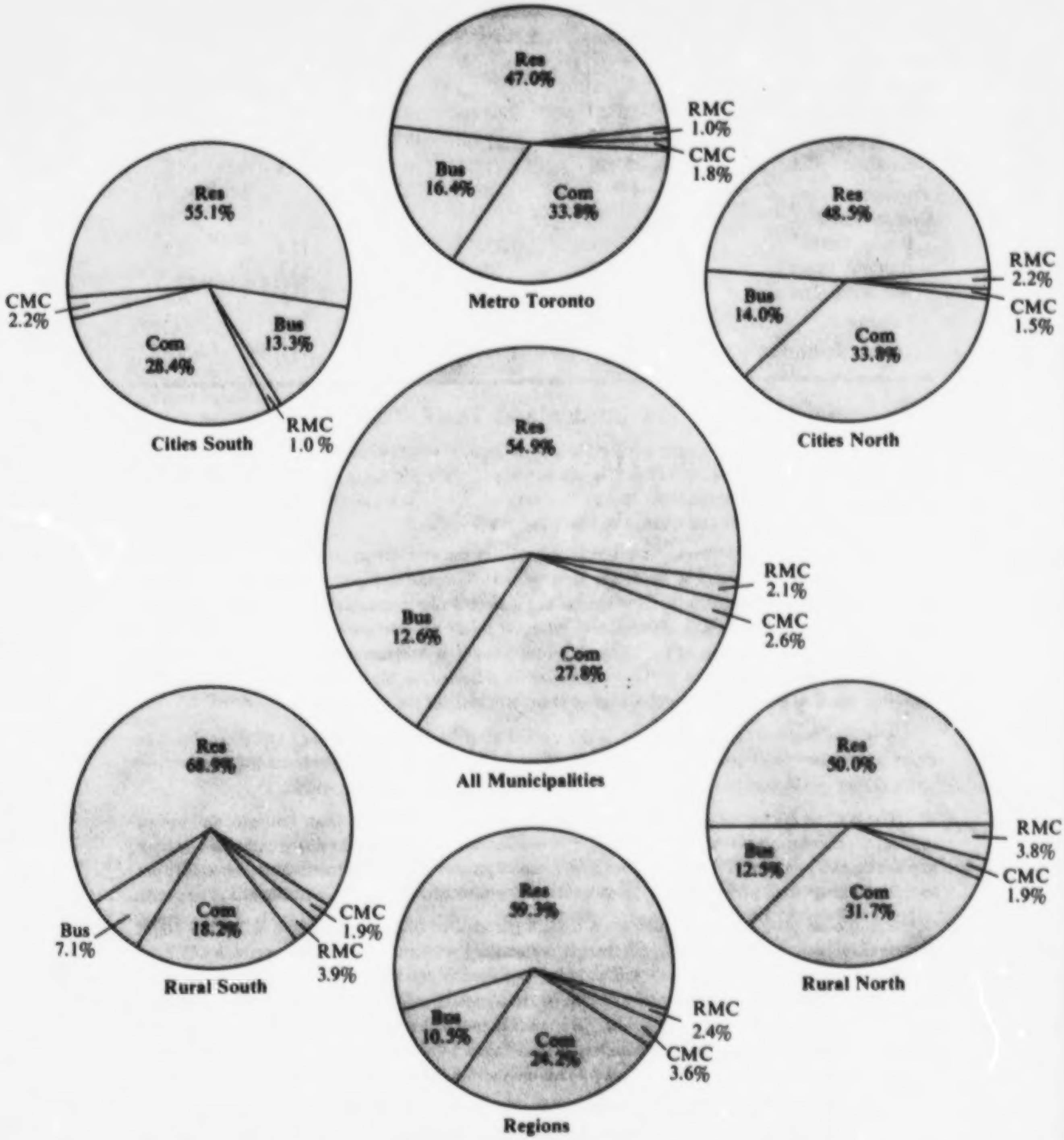
A second factor affecting tax levels is the level of grants from the Province to municipalities. In chapters two and three, it was noted that the distribution of the grants on a per household basis tends to be higher in the rural areas, and lower in urban municipalities in the south.

The level of both municipal and school taxes was highest in Metropolitan Toronto, and lowest in rural northern municipalities. The increase in municipal residential taxes was greatest in northern cities followed by the regions. Increases experienced by these types of municipalities were 15.1 per cent and 12.0 per cent respectively. Metropolitan Toronto had the lowest increase at 8.8 per cent.

Residential property taxes accounted for 2.9 per cent of household income in 1981, a slight decline from the 3.0 per cent of 1980. Averages across the Province ranged between a high of 3.2 per cent in Metropolitan Toronto and a low of 1.7 per cent in the rural north. The ratios for each category of municipalities were either stable or declined slightly which indicates that growth of household income kept pace with the increase in taxes, notwithstanding the substantial increase in residential taxes in rural northern municipalities. Table 5-6 shows the 1981 ratio of residential property taxes to income for all six types of municipalities, and for the Province as a whole.

Provincial programs aimed at reducing the residential property tax lowered the proportion of income going to property tax from 2.9 per cent to 2.4 per cent. Property tax offsets totalled $147 per residence in 1981, up from $144 in 1980. The net effect of the offset was to reduce average residential property taxes to $736 per household. The main reason for the lower growth in the offset is that the $500 ceiling on the pensioner grant has been reached by many pensioners.

Composition of Property Taxes by Tax Class
And Type of Municipality, 1981 Figure 5-1



KEY		
	Res = Residential & Farm Bus = Business Com = Commercial & Industrial	CMC = Commercial Municipal Charges RMC = Residential Municipal Charges

Average Gross Residential Property Taxes Per Household[1] by Type of Municipality

Table 5-5

	1980	1981	1979/77 Annual	1980/79	1981/80
Metro Toronto	$	$	%	%	%
Municipal Taxes	499	543	6.9	6.1	8.8
Municipal Charges	16	19	50.0	14.3	18.8
Subtotal	515	562	7.6	5.4	9.1
School Taxes	503	554	4.5	3.6	10.1
Total	1,018	1,116	6.0	5.0	9.5
Regions					
Municipal Taxes	401	449	3.7	3.6	12.0
Municipal Charges	39	40	11.1	18.2	2.6
Subtotal	440	489	13.7	3.3	11.1
School Taxes	423	467	7.6	5.1	10.4
Total	863	956	5.6	4.6	10.8
Cities South					
Municipal Taxes	408	446	3.9	6.8	9.3
Municipal Charges	17	19	0.0	0.0	11.8
Subtotal	425	465	3.7	6.6	9.4
School Taxes	342	372	7.0	5.9	8.7
Total	767	837	5.3	6.3	9.1
Cities North					
Municipal Taxes	316	364	5.1	6.8	15.1
Municipal Charges	22	25	5.0	0.0	13.6
Subtotal	338	389	5.2	6.5	15.1
School Taxes	299	327	4.8	11.4	9.5
Total	637	716	5.3	9.0	12.4
Rural South					
Municipal Taxes	214	238	5.1	7.9	10.9
Municipal Charges	31	34	8.4	10.7	9.7
Subtotal	246	272	5.5	8.2	10.6
School Taxes	279	310	8.0	10.3	11.2
Total	525	582	6.8	9.2	10.8
Rural North					
Municipal Taxes	191	212	5.1	8.2	10.9
Municipal Charges	28	31	4.4	12.0	10.7
Subtotal	219	243	4.8	8.7	10.9
School Taxes	172	187	10.4	8.9	8.5
Total	391	430	7.1	8.8	9.9
Provincial Average					
Municipal Taxes	380	421	4.7	5.4	10.7
Municipal Charges	28	30	13.2	16.7	7.1
Subtotal	408	451	5.0	5.7	10.5
School Taxes	392	432	6.6	5.6	10.2
Total	800	883	5.6	6.5	10.4

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[1] Household refers to single dwelling unit (SDU). The formula is:

$$\text{Taxes} = \frac{\text{Average Assessment Per SDU x Total Residential Mill Rate (Public)}}{1{,}000}$$

Property Tax to Income Ratio by Type Of Municipality, 1981 — Table 5-6

	Average Residential Property Tax	Average Household Income[1]	Tax To Income Ratio
	$	$	%
Metro Toronto	1,116	34,500	3.2
Regions	965	31,100	3.1
Cities South	837	30,800	2.7
Cities North	716	30,600	2.3
Rural South	582	25,100	2.3
Rural North	430	25,800	1.7
Provincial Average	883	30,200	2.9

[1] Estimated from Revenue Canada Taxation Statistics, 1980 Edition.

Impact of Tax Offsets on Residential Taxes Per Household[1] — Table 5-7

	1980	1981	1979/77 Annual	1980/79	1981/80
	$	$	%	%	%
Municipal Taxes & Charges	408	451	5.0	5.7	10.5
School Taxes	392	432	6.6	5.6	10.2
Gross Property Taxes	800	883	5.6	6.5	10.4
Tax Offsets[2]	144	147	2.6	19.0	2.1
Net Property Taxes	656	736	6.1	3.8	12.2
Share of Household Income (%)					
Gross Taxes	3.0	2.9	(3.1)	0.0	(3.3)
Net Taxes	2.4	2.4	(1.9)	(8.0)	0.0

[1] Household refers to single family dwelling unit.

[2] Includes Ontario Tax Credits, Pensioners Property Tax Assistance, andMunicipal and School Tax Credit Assistance.

The property tax offsets include, in addition to the Ontario Tax Credits, transfers under the Pensioners Property Tax Assistance and Municipal and School Tax Credit Assistance programs. Not included in the offsets are transfers through the Ontario Farm and Managed Forest Property Tax Rebate Programs. Under these programs, farmers and forest owners receive rebate payments from the Province equal to 50 per cent of their property taxes. Total transfers through these programs were $67 million in 1981.

Chapter 6

Long Term Borrowing, Debt and Other Commitments

Long Term Borrowing

Local governments issued $263 million in new long term debt during 1981, a decrease of 25.3 per cent or $89 million from 1980. The decrease for municipalities represented an 17.3 per cent reduction over the previous year compared to an 80.0 per cent decrease for school boards. Municipalities have reported annual decreases in long term borrowing since 1977.

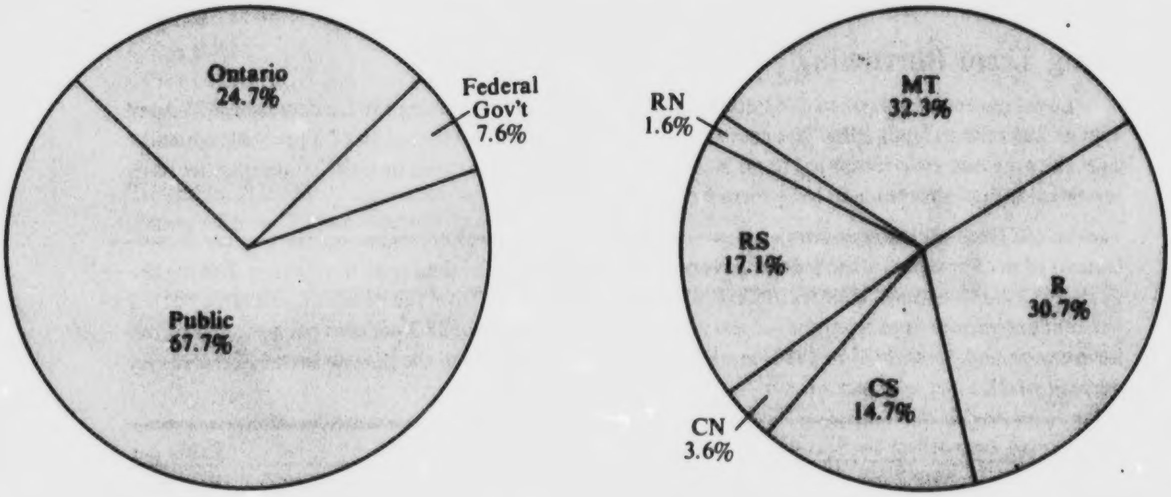
In 1981, municipalities reversed an established trend by relying more on the private sector, instead of the Province or the federal government, as the source of long term borrowing. During the years 1977 to 1980, municipalities increased long term borrowing from the Province an average of 4.0 per cent per annum, and from the federal government an average of 28.3 per cent per annum. During the same period, from 1977 to 1980, total municipal borrowing from the private sector decreased an average of 22.6 per cent per annum.

Long Term Borrowing by Source — Table 6-1

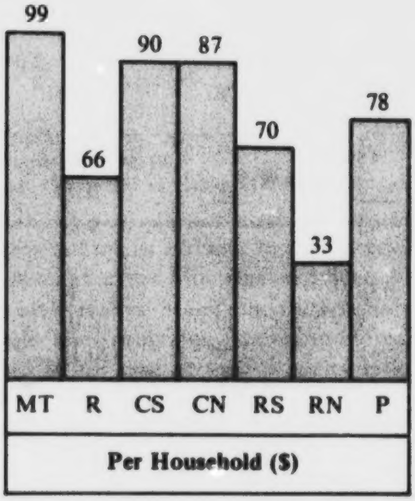
	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Issued By Municipalities					
Ontario	91	63	4.8	2.2	(30.8)
Federal Government	75	20	16.0	53.1	(73.3)
Public	141	171	(20.1)	(24.2)	21.3
Subtotal	307	254	(12.7)	(5.2)	(17.3)
Issued By School Boards					
Ontario	45	2	9.5	(25.0)	(95.6)
Public	0	7	0.0	0.0	—
Subtotal	45	9	9.5	(25.0)	(80.0)
Total Local Government					
Ontario	136	65	5.5	(8.7)	(52.2)
Federal Government	75	20	16.0	53.1	(73.3)
Public	141	178	(20.1)	(24.2)	26.2
Total	352	263	(13.0)	(8.3)	(25.3)

The principal reason for the 30.8 per cent decrease in municipal borrowing from the Province in 1981 is a result of the maturing of provincial capital assistance programs. Several major provincial programs have fulfilled their mandate, and were in the process of winding down operations. For example, municipalities borrowed $12 million in 1980 from the Ontario Housing Action Program, but did not borrow any funds in 1981. In addition, the Downtown Revitalization Program, established in 1976, has also satisfied much of the demand for its financial assistance and, as a consequence, municipal borrowing for revitalization projects decreased from $14 million in 1980 to $6 million in 1981.

Composition and Level of Municipal Long Term Borrowing by Source & Type of Municipality, 1981 **Figure 6-1**



Sources **Composition**



KEY

MT = Metro Toronto
CN = Cities North
P = Province
R = Regions
RS = Rural South
CS = Cities South
RN = Rural North

Municipal borrowing from the federal government was mainly loans from Canada Mortgage and Housing Corporation (CMHC) for public housing projects. Federal amendments to the National Housing Act in 1978 have reduced CMHC capital funding to borrowers. In recent years, CMHC has encouraged municipalities to search out alternative sources of capital funds, in particular, the private sector, for its financing of housing projects. Borrowing from the federal government decreased 73.3 per cent from 1980 to 1981.

It is not unexpected, in view of reduced public borrowing, that municipal borrowing from the private sector increased during 1981. Borrowing increased from $141 million in 1980 to $171 million in 1981, a 26.2 per cent increase.

The drop in long term borrowing by school boards, from $45 million in 1980 to $9 million in 1981, resulted largely from a change in provincial policy. Prior to March, 1980, school boards were responsible for the total financing of capital expenditures. Related provincial assistance was made available indirectly through the subsidization of the annual debt charges. Now, the Province provides the necessary assistance through up-front capital grants and consequently, school boards' reliance on long term borrowing was sharply reduced.

Traditionally, long term borrowing from the private sector has constituted the major of such funds, and accounted for two-thirds of total municipal long term borrowing in 1981. The Province was the source of one-quarter of municipal borrowing, with the federal government financing the balance of 7.6 per cent of total municipal borrowing.

Metropolitan Toronto and the regions accounted for about two-thirds of municipal long term borrowing, with each having about a 31 per cent share of total municipal borrowing. The rural south and cities in the south also had similar percentage shares, with 17.1 and 14.7 per cent respectively. Cities in the north accounted for 3.6 per cent of total long term borrowing, and the rural north reported a 1.6 percentage share of the total.

Borrowing by municipalities averaged $78 per household in 1981, a decrease of $16 per household or 17.0 per cent from 1980, and it ranged from a high of $99 per household in Metropolitan Toronto to a low of $33 in the rural north.

Net Long Term Debt Outstanding

Total municipal long term debt outstanding decreased in 1981, reversing a series of increases since 1977. It declined from $3,028 million in 1980 to $3,015 million in 1981, a 0.4 per cent decrease. School board debt decreased 9.2 per cent. Total local government debt outstanding decreased from $4,317 million in 1980 to $4,185 million in 1981, a 3.1 per cent decrease.

Net long term debt outstanding continued to decline in 1981 for several municipal functions. General government decreased by 5.2 per cent in 1981 from the previous year. Roadways and transit functions recorded an overall decrease of 5.5 per cent. Solid waste and other environmental services declined 14.3 per cent - the largest functional percentage decrease in 1981 from 1980. Debt outstanding attributed to health decreased 4.4 per cent. Debt related to culture and recreation declined from $321 million in 1980 to $316 million in 1981, a 1.6 percentage decrease. In addition to the functions carried out directly by municipalities, unconsolidated boards reported a 2.5 per cent decrease in net long term debt outstanding from 1980 to 1981.

Two municipal functions have recorded continuous increases in net long term debt outstanding since 1977, police and planning and development. Police debt increased 3.6 per cent in 1981 from 1980, and planning and development increased 17.7 per cent.

Environmental services accounted for 42.2 per cent of municipal debt outstanding in 1981. Transportation was the second largest function with 16.9 per cent. Culture and recreation, health and social services each had about 10 per cent of the total municipal debt outstanding.

Net Long Term Debt Outstanding by Function Table 6-2

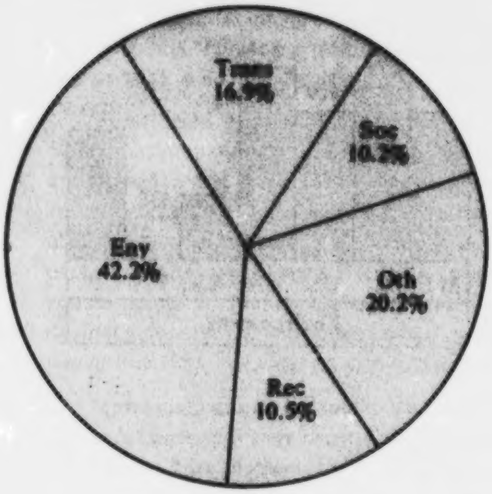
	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Municipalities					
General Government	77	73	(1.9)	(8.3)	(5.2)
Protection					
Police	55	57	2.6	0.0	3.6
Fire	29	28	2.0	(3.3)	(3.4)
Other[1]	34	34	10.2	(5.6)	0.0
Subtotal	118	119	4.4	(3.3)	0.8
Transportation					
Roads[2]	420	402	(1.2)	(4.5)	(4.3)
Transit	121	109	(6.8)	(8.3)	(9.9)
Subtotal	541	511	(2.6)	(5.4)	(5.5)
Environment					
Sewer	845	836	4.5	2.7	(1.1)
Water	411	399	3.4	1.2	(2.9)
Solid Waste	42	36	(0.4)	(6.7)	(14.3)
Subtotal	1,298	1,271	3.9	1.9	(2.1)
Health	68	65	(6.8)	(1.4)	(4.4)
Social Services	229	242	13.9	33.1	5.7
Culture & Recreation	321	316	(2.5)	(5.0)	(1.6)
Planning & Development	147	173	15.5	10.5	17.7
Tile Drainage	108	127	15.0	22.7	17.6
Unconsolidated Boards	121	118	(0.7)	(1.6)	(2.5)
Total Local Government					
Municipalities	3,028	3,015	2.3	1.7	(0.4)
School Boards	1,289	1,170	(4.3)	(1.9)	(9.2)
Total	4,317	4,185	0.1	0.7	(3.1)

[1] Includes protective inspection and control, emergency measures, and food control.
[2] Includes parking, street lighting, and air transportation.

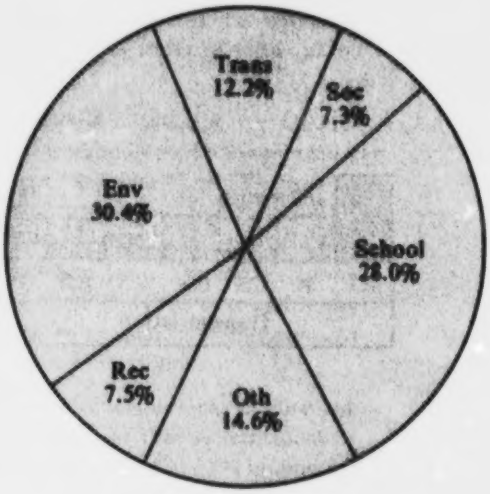
Of the total local government net long term debt outstanding at the end of 1981, about three-quarters was for municipal purposes and the remaining quarter was for school purposes. The ratio in 1975 was approximately 60 per cent and 40 per cent, respectively.

As in prior years, the level of outstanding municipal debt per household in urban areas was roughly three times higher than in rural areas in 1981, primarily because the number of services provided in urban areas is greater than in rural areas. The level of debt, at $1,287 per household, was highest in Metropolitan Toronto. Debt levels were about the same in the regions and cities in the south, $977 and $924 per household respectively. Cities in the north had the second highest per household debt in 1981 at $1,155, primarily due to expenditures on sewer and water services and planning and development.

Composition of Debt Outstanding by Function, 1981 **Figure 6-2**



Municipalities

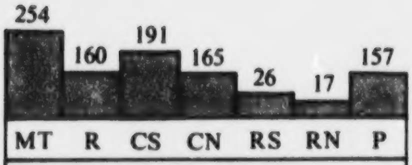


Municipalities And School Boards

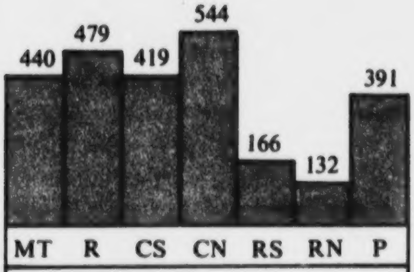
KEY

Trans = Transportation
Env = Environment
Rec = Culture & Recreation
Oth = Other
School = School Boards
Soc = Health & Social Services

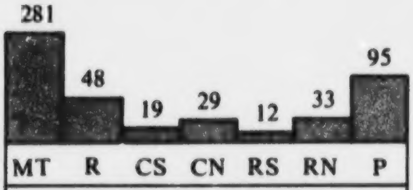
Municipal Debt Outstanding Per Household ($) **Figure 6-3**
By Function and Type of Municipality, 1981



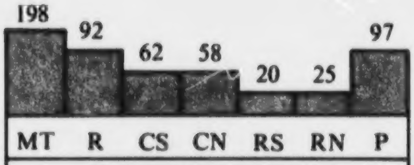
Transportation



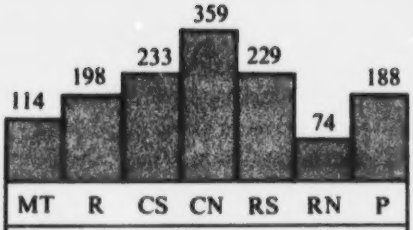
Environment



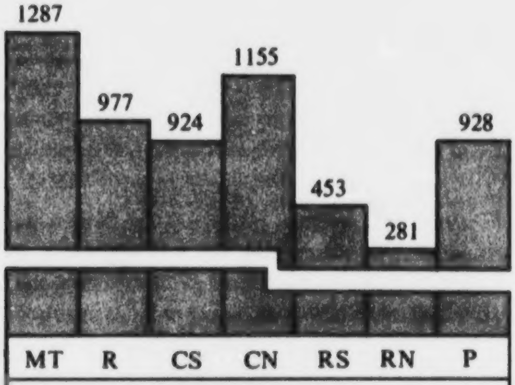
Health & Social Services



Culture & Recreation



Other



Total Debt Outstanding

KEY
MT = Metro Toronto
CN = Cities North
P = Province
R = Regions
RS = Rural South
CS = Cities South
RN = Rural North

Non Debt Long Term Commitments

About 200 municipalities have long term agreements with the Province for the provision of sewer and/or water services. Under most of these agreements, the Province builds, maintains, and operates the facilities, and charges the municipalities for services provided. Charges are then set to recover both the capital and operating costs of the facilities.

At the end of 1981, municipalities had long term commitments of about $250 million for provincial water projects and $490 million for provincial sewer projects.

Municipalities may also make commitments to support universities and the cost of constructing new hospitals. Total long term commitments of this type were estimated at about $6 million at the end of 1981, a 64.7 per cent decrease from the previous year.

Most local government employees, have their pensions provided through the Ontario Municipal Employees Retirement System (OMERS). The system was set up by the Province in 1965, and provided that all local government employees, except teachers, who were hired after June 30, 1968, could only be pensioned through OMERS. The OMERS basic plan is fully funded. OMERS also offers supplementary plans to those municipalities which wish to provide additional coverage over and above the basic OMERS pensions. Such supplementary plans frequently involve commitments by municipalities to make certain annual payments to OMERS over and above normal employer contributions for unfunded past service liabilities and experience deficencies. At the end of 1981, the total of such commitments amounted to about $430 million.

Municipalities and school boards also have long term commitments under sick-pay-credit plans in which employees may receive payments based on credits unused at the time of retirement or resignation. Total liability under such plans at the end of 1981 were estimated at $290 million for municipalities and about $250 million for school boards.

Chapter 7

Year End Position

Revenue Fund

Municipalities and school boards are required to prepare balanced current budgets. In fact, estimates can never be truly accurate due to unforeseen circumstances. For instance, a planned housing subdivision may not be built which would result in an estimate for supplementary taxes being too high or a natural disaster may occur requiring the unplanned use of funds. Therefore, surpluses and deficits arise.

At the end of 1981, local government had an overall current surplus of $301 million, or about 2.7 per cent of current revenues. This was an increase of 37.4 per cent over the 1980 surplus of $219 million.

Revenue Fund Balance at End of 1981 — Table 7- 1

	Beginning of Year Balance	Add Revenues	Less Expenditures	End of Year Balance	Per Cent of Revenues
	$ Million	$ Million	$ Million	$ Million	%
Municipalities					
Metro Toronto	84	1,991	1,956	119	6.0
Regions	52	2,134	2,100	86	4.0
Cities South	16	656	658	14	2.1
Cities North	4	219	216	7	3.2
Rural South	32	706	706	32	4.5
Rural North	5	186	186	5	2.7
Total Local Government					
Municipalities	193	5,892	5,822	263	4.5
School Boards	26	5,074[1]	5,062[1]	38	0.7
Total	219	10,966	10,884	301	2.7

[1] Includes transfers to and from capital fund, reserves, and reserve funds.

The surplus was comprised of $263 million from municipalities, and $38 million from school boards. While the municipal surplus increase was over 36 per cent greater than in 1980, the school boards' surplus grew by over 46 per cent.

Of the 1981 municipal surplus, $180 million was for general levies, $21 million was in respect of special purpose requisitions and $57 million represented surpluses of local boards. The remaining $5 million were surpluses accumulated by lower-tier municipalities on account of upper-tier municipalities for which they levy taxes. Municipal surpluses were at the highest point ever in 1981, which suggests that budgets were set cautiously in view of inflation and increasing unemployment.

Almost 75 per cent of the total municipal surplus was accounted for by Metropolitan Toronto and the regions. Metropolitan Toronto also had the highest level of surplus relative to their total operating revenue base, 6.0 per cent . Cities in southern Ontario and northern rural municipalities had the lowest levels at 2.1 and 2.7 per cent of operating revenues, respectively.

The total school boards' surplus of $38 million, up from $26 million at the beginning of the year, was a large increase compared to prior years which were in the $3 to $4 million range. The increase was not attributable to any specific reason. There were some teachers' strikes which could account for between $1 and $2 million. Declining enrollments and the inflation rate, escalating from 10.1 per cent in 1980 to 12.5 in 1981, may have also influenced the school boards to be conservative in their budgetting.

Capital Fund

Municipalities and school boards are not required to balance their capital funds from year to year. Frequently, capital projects are not financed until after completion when final costs are known. Further, with the inflation rate of 12.5 per cent in 1981 and the high interest rates, many municipalities deferred permanent financing. The school boards, as mentioned in Chapter 4, financed a major portion of capital projects from their revenue funds.

Local governments began 1981 with $158 million in capital expenditures which were not permanently financed. At the end of the year, after spending over $1.5 billion, this figure had increased by only 2.5 per cent to $162 million. Although most types of municipalities increased the unfinanced capital outlay, Metropolitan Toronto had a surplus or unexpended capital financing of $56 million.

Capital Fund Position at End of 1981 — Table 7-2

	Expenditures At Beginning Of Year[1]	Less Revenues	Add Applications	Unfinanced Expenditures At End of Year[1]
	$ Million	$ Million	$ Million	$ Million
Municipalities				
Metro Toronto	(3)	335	282	(56)
Regions	49	544	568	73
Cities South	45	132	132	45
Cities North	10	43	46	13
Rural South	47	238	245	54
Rural North	4	66	81	19
Total Local Government				
Municipalities	152	1,358	1,354	148
School Boards	6	198	206	14
Total	158	1,556	1,560	162

[1] Unexpended capital financing at the end of the year is shown in brackets.

Reserves and Reserve Funds

Reserves and reserve funds had accumulated to almost $1.4 billion at the end of 1981. This was an increase of 20.6 per cent over 1981. They represented 12.8 per cent of total revenues compared to 10.6 per cent in 1980.

Municipalities accounted for over 87 per cent of total local government reserves and reserve funds in 1981. Municipal reserves, which were mainly for such purposes as working funds, contingencies, and equipment replacement, grew by 16.1 per cent in 1981. Reserve funds, which were used for such purposes as subdivider contributions for capital projects and certain employee

Balance of Reserves and Reserve Funds at End of 1981 Table 7-3

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Municipalities					
Reserves	409	475	10.7	19.9	16.1
Reserve Funds	597	743	12.8	9.9	24.5
Subtotal	1,006	1,218	12.0	13.8	21.1
Per Cent of Total Revenues	15.7	20.7			
School Boards					
Reserves	66	82	—	11.9	24.2
Reserve Funds	85	95	35.3	16.4	11.8
Subtotal	151	177	15.6	14.4	17.2
Per Cent of Total Revenues	3.3	3.5			
Total Local Government					
Reserves	475	557	9.0	18.8	17.3
Reserve Funds	682	838	14.7	10.7	22.9
Total	1,157	1,395	12.4	13.9	20.6
Per Cent of Total Revenues	10.6	12.8			

benefits, increased by 24.5 per cent. Included in the reserve funds of some municipalities was a reserve for the Ontario Home Renewal Plan which is not available for municipal purposes. These are funds paid by the Province to municipalities to administer directly as loans to eligible homeowners. In 1981, they comprised 14.4 per cent, $107 million, of reserve funds compared to 8.2 per cent in 1980.

School board reserves and reserve funds have increased consistently over the years. In 1981, the increase over 1980 was 17.2 per cent. School board reserves were for working funds while reserve funds were used mainly for capital purposes.

Regions had the highest level of reserves and reserve funds on a per household basis in 1981, $526 per household. Cities in the south had the lowest level in 1981 as it was the case in 1980 although they were increased about 8 per cent to $238 per household.

Municipal Reserves and Reserve Funds Per Household By Type of Municipality at End of 1981 Table 7-4

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North	Province
	$	$	$	$	$	$	$
Reserves	163	172	78	115	118	190	146
Reserve Funds	147	354	160	280	142	203	229
Total	310	526	238	395	260	393	375

Tax Collection And Arrears

The tax collection record of municipalities is usually considered to be a key indicator of how they are financially managed. The record shows a municipality's ability to collect taxes and whether a chronic cash flow problem may potentially exist. Moreover, it is an excellent indicator of the ratepayers' ability and willingness to meet their property taxes responsibilities.

1981 Local Government Tax Roll **Table 7-5**

	1980	1981	1979/77 Annual	1980/79	1981/80
	$ Million	$ Million	%	%	%
Taxes Uncollected At Beginning of Year	273	300	7.5	10.5	9.9
Additions To Tax Roll					
Tax Billings	4,111	4,646	8.9	10.7	13.0
Sewer Charges[1]	103	123	21.1	24.1	19.8
Total Taxes Levied	4,214	4,769	9.1	11.0	13.2
Penalties & Interest	41	52	12.3	28.1	26.8
Total	4,255	4,821	9.3	11.2	13.3
Reductions					
Current Year Taxes	3,983	4,525	9.3	10.5	13.6
Previous Years' Taxes	184	182	7.7	24.3	(1.3)
Discounts[2]	61	59	(0.5)	27.1	(2.6)
Total	4,228	4,766	9.0	11.2	12.7
Taxes Uncollected At Year End					
Current Year	222	268	6.0	7.2	20.8
Previous Year	56	63	11.2	21.7	13.4
Prior Years	22	24	17.5	10.0	8.3
Total	300	355	7.5	9.9	18.3

[1] Refers to amounts collected on water bills.

[2] Includes reductions and refunds.

In 1981, the amount of property taxes levied were almost $4.8 billion for an increase of 13.3 per cent over 1980. By way of comparison, the total collected during the year amounted to $4.7 billion, 12.7 per cent more than 1980. This indicates that municipalities were able to collect 94.9 per cent of their current year taxes, a slight improvement over 1980. There was also some improvement in the collection of taxes outstanding from prior years. Such collections increased to 5.0 per cent of total taxes levied from 4.3 per cent in 1980.

Composition and Level of Tax Collection and Arrears **Table 7-6**

	1977	1978	1979	1980	1981
Collections As Per Cent Of Levy [1] (%)					
Current Year	94.2	95.0	94.7	94.6	94.9
Prior Years	4.4	4.7	3.9	4.3	5.0
Total	98.6	99.7	98.6	98.9	99.9
Arrears As Per Cent of Levy (%)					
Current Year	5.7	5.0	5.5	5.2	5.6
Prior Years	1.6	2.1	1.2	1.8	1.8
Total	7.3	7.1	6.7	7.0	7.4
Arrears Per Household ($)					
Current Year	59	55	66	68	74
Prior Years	17	24	14	24	35
Total	76	79	80	92	109

[1] Includes Penalties and Interest.

Across the Province, the tax collection record was fairly uniform showing also improvements over 1980. Northern Ontario cities had the best record followed closely by Metropolitan Toronto.

Tax arrears at year end 1981 were 18.3 per cent higher than at the end of 1980. Over 75 per cent of the arrears was made up of unpaid taxes and penalties for 1981. As a proportion of taxes levied, this represented 7.4 per cent, only slightly more than was the case in 1980, which was 7.0 per cent. In per household terms, tax arrears amounted to $109 per household, an increase of $17 over the 1980 average of $92 per household.

Composition and Level of Tax Collection and Arrears by Type of Municipality, 1981 — Table 7-7

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Collections As Per Cent Of Levy[1] *(%)*						
Current Year	96.3	93.7	95.2	97.4	94.0	93.0
Prior Years	4.2	5.2	5.0	4.3	7.2	6.5
Total - 1981	100.5	98.9	100.2	101.7	101.2	99.5
- 1980	99.1	98.4	97.4	99.7	99.7	98.6
Arrears As Per Cent Of Levy (%)						
Current Year	4.1	4.8	5.3	3.6	8.5	6.5
Prior Years	1.5	2.3	2.9	1.8	4.7	4.5
Total - 1981	5.6	7.1	8.2	5.4	13.2	11.0
- 1980	5.6	7.1	7.4	5.9	12.8	11.1
Arrears Per Household ($)						
Current Year	85	73	68	48	74	63
Prior Years	32	35	38	24	41	39
Total - 1981	117	108	106	72	115	102
- 1980	100	91	85	67	96	83

[1] Includes Penalties and Interest.

Tax arrears varied widely depending on the type of municipal category. Again, northern Ontario cities had the lowest levels of arrears both as a per cent of current year taxes and on a per household basis. Arrears in Metropolitan Toronto fared well as a per cent of taxes levied, however, in per household terms, they amounted to $117, the highest of all municipal categories. Rural municipalities in southern Ontario had substantially higher arrears than the rest of the Province. This is, in part, due to the fact that rural municipalities tend to levy taxes late in the year, and consequently, their tax arrear figures include amounts which are as little as a month overdue.

PART II

Evaluating the Financial Position of Ontario Municipalities

I. Introduction

A municipal financial evaluation is, in essence, a statement about a municipality's financial position. Usually such evaluations examine a municipality's capacity to undertake specific capital projects, or the impact of specific events or actions on a municipality's financial position, such as annexations, plant closures, natural disasters, substantial population growth or real property development.

The downturn in the economy and resulting lower growth in revenues in recent years together with the high inflationary increases in the cost of maintaining existing service levels, all have encouraged municipalities and Provincial Ministries to make greater use of financial evaluations in their decision-making processes. The latter has been most evident when considering matters such as expansion of, or provision of new, municipal services in a particular municipality. A number of municipalities that have been regarded as strong financially have been reviewing the effect of recent economic and social developments to maintain their advantageous position.

Sound financial management practices, assistance from the Provincial Government in appropriate circumstances, and restraint on capital programs by municipal councils in conjunction with the Ontario Municipal Board have combined to help the municipal sector in Ontario avoid the severe financial crises faced by many municipalities in other countries and by some foreign governments.

The preparation of financial analyses plays a part in many of the decisions reached in Ontario in respect of the financing of major capital projects. They are used by Provincial agencies, including the Ontario Municipal Board, Ontario Municipal Improvement Corporation, and various Ministries as well as individual municipalities. Also, investment dealers and bond rating agencies often prepare municipal financial evaluations when dealing with particular debenture issues by the municipalities.

In addition to the preparation of evaluations because of economic and financial pressures or concerns, a number are prepared in connection with the discretionary award of some grants or approval powers, for example:

(1) The Ontario Municipal Board often makes use of financial evaluations in connection with debt approvals, by-law approvals, and incorporations.

(2) The Ontario Water Resources Act provides for an appeal to Cabinet in the event of a disagreement between the Ministry of Environment and a municipality over rate reviews in connection with sewage or water project agreements entered into under that Act. Financial evaluations often form part of the documentary evidence presented to Cabinet to help it reach a decision.

(3) The Ontario Municipal Improvement Corporation purchases certain municipal debentures upon application being made by a qualified municipality. As a lender of last resort, the Corporation's formal process for responding to such applications includes a review of a financial evaluation.

(4) The Ministry of Northern Affairs often refers to municipal financial evaluations when it is considering requests for financial assistance from municipalities. The evaluation, together with considerations of community benefit and availability of funds, helps determine what level of assistance, if any, to provide to northern municipalities.

The purpose of this section is to outline an approach to preparing a financial evaluation and to provide an example which indicates how the component parts are combined in relation to a financial issue examined. This, it is hoped, will enable municipalities or other organizations to use similar techniques to prepare their own evaluations in support of their financial, strategic and operational planning.

II. What Do Evaluations Include?

The content of a particular evaluation depends on the specific purpose or event which initiated its preparation; some are quite in depth, others, not so detailed. Generally, evaluations have five main components or sections: the socio-economic profile, financial capacity, spending patterns, financial management, and conclusion or commentary. The sections normally examine a number of indicators which usually include the following:

Socio-Economic Profile:	Population structure and households; Assessment growth and mix; Employment and income levels;Local economic activity.
Financial Capacity:	Debt level and debt capacity; Cost details on specific projects; Property tax levels.
Spending Patterns:	Mix of services provided; Level of expenditures; Financing methods.
Financial Management:	Tax collection and billing; Levels of reserves and working funds; Surplus/deficit position; Compliance with legislation.
Conclusion:	Financial position; Course of action recommended; Fiscal capacity to undertake projects.

The timing of the implementation of major municipal capital works differs between municipalities and usually affects more than one year's operations as well as often forming part of a long-term program to be phased-in according to municipal needs or available resources. Also, serious financial problems tend to build up over time rather than develop suddenly.

Consequently, the movement and trends of the indicators is reviewed over a period of time, usually three to five years. Equally important, the municipality's financial performance is commented on by reference to the changes in trends shown and to any action currently being undertaken or considered by the municipality. In addition, a cross-section of comparable municipalities is used to validate the information on a particular municipality and to support the conclusions and commentary.

The evaluation, therefore, comments mainly on a municipality's current financial and economic position, in the context of past trends, future commitments and intentions, and the performance of comparable municipalities. A brief description and commentary of some of the main indicators is set out in Section IV (The Indicators).

III. The Evaluation Process

No one has developed a method of evaluating a municipality's financial position which has been acceptable or suitable to everyone's needs. This is partly due to the fact that evaluating a municipality's financial position can be complex. It is a process of sorting through a large number of pieces of information. In addition, no single piece tells the whole story. Some are more important than others, but usually, one cannot tell which these are until one has finished assembling all the pieces.

The methodology or mechanics of preparing an evaluation involves:

(i) gathering the information; e.g. budgets, capital forecasts, Financial Information Returns;

(ii) commenting on past trends;

(iii) examining any highlights or unusual items;

(iv) making projections of expenditures, debt levels, debt charges, and tax levels;

(v) reviewing taxable assessment changes, and rates of change for the different components;

(vi) identifying the economic prospects of the community by examining such characteristics and events as:

  (a) plant openings and closures;
  (b) employment and income levels;
  (c) availability of serviced land;
  (d) building permits issued;
  (e) outlook for the municipality's main economic activities.

A very important phase of the evaluation is comparing the information on the municipality being evaluated to that of a sample group of nearby or similar municipalities, i.e. similar in status, population, households, assessment mix, major services provided and economic base. Comparison is also made to provincial averages of larger groups of similar sized, serviced, and/or geographically located municipalities. This will give some perspective to the municipality's operations which may be missing if the comparison is strictly limited to a small sample group of municipalities no matter how carefully chosen.

The comparison is done using a wide range of different indicators, so as to gain an overall view of the municipality's operations, not just a financial view; although the evaluation is heavily weighted towards the financial viewpoint.

The objective is to be able to make an informed opinion on whatever aspect of the municipal operations is required by the user of the evaluation. Generally, the user is concerned about the long-term financial viability of a municipality to either repay a loan or to fully utilize a major capital facility. The client wants to ensure that the municipality is operating within its fiscal capacity and that it will be able to continue operating within that capacity if planned or anticipated events take place.

IV. The Indicators

All municipalities in Ontario file an annual Financial Information Return, in prescribed form, with the Ministry of Municipal Affairs and Housing. There are over 2,200 items of information in a Return and it forms the nucleus of the source data used by analysts in the preparation of financial evaluations.

The importance of some of the items can only be recognized when compared with other items either in the current year's Return or that of a previous year. For example, a huge increase in sewage and water expenditures ought normally to be followed by a substantial increase in revenue from sewage and water charges; otherwise, something is probably amiss.

The analysing and comparing of such a large number of data items for a number of years would be very time consuming if done manually. Consequently, what are perceived to be the main information elements in a Return, as far as evaluations are concerned, are extracted by computer. These main elements are generally referred to as indicators.

A statistical package (setting out values, trends, and relative changes in each of the indicators) is now produced routinely by computer for each municipality for which an evaluation is being prepared. It is, like most data from the Ministry of Municipal Affairs and Housing's Municipal Analysis and Retrieval System (M.A.R.S.) data base, available to municipalities and their consultants through the Ministry's Municipal Management Policy Branch, subject to certain conditions.

The financial evaluation procedures include a review of these indicators together with details from a municipality's current operating budget, capital forecast, and important local economic matters.

Some of the most widely used indicators are as follows:

(a) Population Structure and Households

Demographic information is an important element in the overall evaluation process. A declining population accompanied by declining employment opportunities could indicate future financial problems for a municipality unless its financial requirements can be reduced in line with its declining tax base. Conversely, an expanding population will usually generate a need for expanded services or increased expenditures, e.g. additional miles of roads together with extra sewage and water treatment capacity to service the additional housing needed to accommodate the increase in population. If the additional tax and development fee revenue generated by the new housing is insufficient to pay for the related expansion to services and facilities, the existing taxpayers will have to shoulder an increased tax burden to help pay for the services to the new taxpayers.

The age distribution of the population will influence the type of services demanded or provided by a municipality. For example, a younger population would be expected to generate needs for recreation, day care and education facilities, whereas a high level of aged persons in a municipality would be expected to generate demand for more social services such as senior citizens housing, and different recreation programs. An older population, however, would need fewer schools in proportion to the total population.

Consequently, population growth rates, both in the individual municipality and the surrounding county, region or district area, are reviewed together with the age distribution. The significant age distribution groupings are 0-19 years (reflects education facility needs), 20-64 years (reflects the major taxpaying group and the available work force) and the 65 years and over group (reflects possible level of need for senior citizen programs and usually viewed as a fixed income group).

The trend in the number of households is related to the population changes, but has to be monitored separately in order to ensure that account is taken of changing social preferences. For example, a constant population level could still generate demand for additional housing and consequently expanded municipal services because of changes in the population age distribution such as the 0-19 age group diminishing and moving into the 20-64 group coinciding with children leaving their parents to set up their own households. An increase in households also would help explain increased municipal service levels and costs which would not be apparent from merely looking at total population levels.

(b) Assessment Growth And Mix

Municipalities rely on property taxes for a significant part of their revenues. These taxes are based on property assessments which, however, may differ from municipality to municipality because of past local assessment practices. Consequently, total taxable assessment is of little use as an indicator for comparative purposes. However, trends in the growth of taxable assessment for the particular municipality being evaluated are of substantial value; they indicate whether the tax base is stagnant or not, although here again such exceptional items as a reassessment have to be taken into account.

The composition of the municipal tax base is also of importance for evaluation processes. This consists of the breakdown between residential and commercial sectors, the amount of government and institutional presence in the municipality (reflected through payments in lieu of taxes), and the level of provincial unconditional grant payments.

A high ratio of commercial assessment to residential assessment indicates that a lower proportion of the total municipal tax burden will fall on the individual home owner. It can explain differences in property tax levels among municipalities. For example, in municipalities with a high ratio of commercial to residential assessment the capital component of major services, e.g. sewage, is often recovered through the general municipal levy rather than a separate special area (user) levy. The latter can cause the residential tax levels to be proportionately lower than they would otherwise be.

The receipt of substantial payments-in-lieu of taxes by a municipality will result in its tax base being stronger than would be indicated by taxable assessment alone.

(c) Local Economic Activity and Income Levels

One of the most important factors to be examined during an evaluation is the economic structure of the municipality and the surrounding area. In many small municipalities, the unconditional grants received from the Province of Ontario form a significant part of total revenues, thereby somewhat mitigating the tax burden in those municipalities. Nevertheless, generally a municipality's ability to generate revenue is still greatly dependent on its local economy.

This aspect is highlighted in those municipalities which are either highly dependent on one particular trade or industry, such as automobile production, or located near, indeed probably originally incorporated because of, large sources of natural resources such as timber, nickel, gold, etc. The demand for the resources, either nationally or worldwide, often affects the levels and stability of local employment and may well affect the long term viability of the municipality.

Also important to the economic health and prospects of a municipality are its transportation and communication links such as proximity to main highways, railroads and markets. Where industry is a factor in its local economy, the availability of industrial land (serviced or unserviced) is often a major item to be commented on in an evaluation.

Consequently, an analysis of the local economy encompasses the examination of indicators of its diversity and stability. These often include:

(i) the employment levels by industry and major employers;

(ii) the employment multiplier to indicate related spin-off employment;

(iii) plant openings and closings and related job gains or losses;

(iv) number of building permits issued and their estimated value of construction by sector;

(v) retail sales data;

(vi) labour supply indicators showing local skills available for expanded and new business activity;

(vii) special relationships with other municipalities*.

Another area commonly reviewed is the extent of municipal planning for future or anticipated development. The present inventory of local land use, zoning, industrial parks, available sewage and water pumping and treatment capacities is taken into account. Comprehensive planning implies the municipality is aware of the inter-dependent nature of population growth and demand for municipal services.

Perhaps the major indicator in this part of an evaluation is the income per average household. This is used to provide a guideline as to the level of municipal services a municipality can afford and the estimated additional taxing capacity, if any, in the municipality.

Household income figures are estimated from the annual edition of Revenue Canada Taxation Statistics and crosschecked where possible against any reliable recent local income surveys, e.g., those done in connection with housing needs surveys.

(d) Debt Level and Debt Capacity

A municipality has a choice in the method of financing its capital expenditures. It may be partly or wholly paid from current revenues, available reserves and reserve funds, the issuing of debentures, or a combination of these.

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* An example of these special relationships is the extent to which people in one municipality commute to work in another municipality which may indicate the level of local dependence on employment within the municipal boundaries. It is also often relevant to know whether an increase in economic activity signals growth or a return to previous levels of employment and population size.

Section 64 of the Ontario Municipal Board Act states that a municipality may not authorize or proceed with any undertaking of which any portion of the cost is to be:

(i) raised in a year or years subsequent to the term for which the council then in office was elected; or

(ii) provided by the issue of debentures;

without first obtaining the Board's approval.

The Ontario Municipal Board applies certain criteria to exercise its discretion in issuing approvals. They are set out in a bulletin published annually in January, and forwarded by the Board to all municipal treasurers. The bulletin is entitled "The Role of The Ontario Municipal Board With Respect To Undertakings Involving Long Term Commitments By Ontario Municipalities and School Boards".

The Board's basic guideline is, "that a municipality should not commit more than 20 per cent (25 per cent in larger municipalities and municipalities experiencing rapid growth) of total own purposes expenditures to capital formation."

"In exceptional cases, ... for example, the installation of a sewage works required because of a pollution problem, the Board may allow a municipality to exceed what the Board normally considers a safe limit, but only after a careful appraisal of the local authority's financial position and the effect on the ratepayers."

A financial evaluation's examination of the debt capacity aspect of a municipality's operations has, therefore, to cover the matters which the Ontario Municipal Board takes into account in issuing approvals.

Debt analysis and limits try to ensure that debt does not exceed a level which the municipality can afford. In essence, this means a level which is within the taxpayers' reasonable ability to pay over the period projected.

Debt levels, on the other hand, can indicate what proportion of a municipality's total fiscal resources are tied up in paying for capital projects* already constructed but still used to deliver services. This, when used in conjunction with a forecast of anticipated future capital needs and long term financing requirements can indicate how much of a future year's fiscal resources would be so tied up, if current policy on capital formation was carried through.

There are numerous debt level indicators in use in the municipal and related investment or bond rating community. However, like all indicators, they can not be viewed alone. Their real worth is when used in conjunction with other indicators, although they can point the evaluator to areas of possible concern.

Thus, a municipality's debt per household is not merely compared to its past levels or to the debt level of other municipalities (with a view to determining whether the debt is high); other factors are also taken into account. These include the interest rate, term, and annual repayments of principal and interest, as well as income levels of property taxpayers and the economic base of the area.

The same level of debt in different municipalities can produce vastly different impacts on the average taxpayer in those municipalities. For example:

(i) lower interest rates or longer repayment periods will produce lower annual repayments and a lower annual impact on taxpayers;

(ii) similar annual repayments of principal and interest will have a relatively lower impact in a municipality with an average household income of, say, $30,000 than in one with an income level of $20,000 per household.

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* Generally, municipalities in Ontario cannot incur long term debt to cover current or past operating costs as they have to levy for all sums required during the year for the purposes of the municipality, including any operating deficit of any previous year (S. 164 Municipal Act).

Debt expressed as a percentage of taxable or even equalized assessment, although commonly used in the financial community in the past, has now been shown to have serious limitations. A municipality's revenue may well come mainly from property taxes (i.e., taxes on assessment) but the individual taxpayer pays those taxes from his income from employment, not from selling part of his property. The assessed value of property (even when equalized) is less responsive than incomes to changes in local economic conditions. For example, if the main industry in or near a municipality closes down and a major part of the local workforce is put out of work, the taxpayers' income falls but his house will usually bear the same assessment, at least in the short run.

Debt charges as a percentage of expenditures is a widely used and accepted indicator of debt levels (similar in principle to the financial community's guideline of limiting mortgage debt by reference to a household or family income). This indicator is based on the assumption that when debt charges exceed a certain percentage of expenditures or income (and municipalities are statutorily required to match revenues to expenditures) the debt load is too high. This correlates to the O.M.B.'s basic guideline. However, it does need to be used in conjunction with other indicators. A municipality with tax revenues that are heavily dependent on one large industry, which is acutely responsive to changes in economic markets, can have an "acceptable level" of debt charges suddenly become an intolerable burden if the industry shuts down its local operations. Also, in a small municipality, the range of services provided may well be limited to, for example, roads, fire protection, and water supply.

As such, they tend to be capital intensive, and may well give a supposed "unacceptable" debt and debt charges level, yet not be beyond the taxpayers' reasonable ability to pay. Any differences in services or service levels should be taken into account when using comparative debt level statistics.

(e) Property Tax Levels

Taxes levied per average household is an indicator of the cost of municipal services which falls on the average household in a municipality.

The method of charging for municipal services varies between municipalities. For example, garbage collection costs can be recovered as part of the municipal tax levy or as a user charge per household. Water billings are sometimes recovered partly through the tax system by a mill rate levy, and the balance through a user fee based on consumption of water. Another method of financing water services is from a flat fee per user.

Consequently, to take account of these and other local variations in cost recovery practices, evaluations use what is termed the "municipal services charges" level per average household to represent the tax burden. The charges for all municipal services, whether recovered via the tax system or not, are included.

The municipal service charges level alone, however, does not provide much of an insight into a municipality's financial situation except to show, for example, the rate of increase over a period of years. The composition of the charges should be examined to see if services and service levels are the same. The same total service charges per household in two municipalities providing the same services may indicate certain relative levels of efficiency; but, if one provides a different level of service, such as garbage pick-up twice a week compared to once a week for the other municipality, other areas should be examined for an explanation.

Also, total municipal service charges per household in two municipalities may be the same; however, if the income per household in one is higher than the other, the relative burden in the former is lower than in the latter. Therefore,it can be said, reasonably, that there is a greater margin to increase taxes in the former than in the latter municipality. Such a "margin" could form the basis to support the provision of a new municipal service to the former municipality or the upgrading of an existing service.

(f) Spending Patterns

An analysis of municipal spending is an essential part of any financial evaluation as it gives an insight into the services provided by a municipality to its taxpayers. Comparison with other municipalities can often indicate relative service levels. The historical pattern of spending in a particular municipality when analyzed both by object and by function can indicate the capital financing policies, service area expansions, raising of service levels and the priorities of council. Such expenditure trends may also indicate areas of probable future spending and possible financing needs, e.g., very low or non-existent capital spending on public works vehicles for a long period of time may indicate a substantial vehicle replacement cost is pending. If coupled with unusually low operating spending on the same service, it may indicate a running down of assets and replacement needed sooner than would normally be expected.

The level of transfers to reserves for assets replacement or for other capital projects may also indicate whether long term financing will be needed towards the purchase of assets, etc. This information together with the municipal five year capital forecast can help ensure that a municipality plans appropriately for its immediate future fiscal needs.

(g) Financial Management

Municipal financial management is an important ingredient in a sound financial structure, but is not easily subject to statistical measurement.

A review of the levels and trends of a variety of financial items which are directly reponsive to municipal discretionary actions is thought to provide a reasonable indication of financial management performance.

The trend in tax arrears as a percentage of the current tax levy may provide an indication of the ability of taxpayers to bear the current tax load. It can also reflect the municipality's tax collection policy and its effectiveness.

The level of working funds and its cash flow implications is an important indicator in financial evaluations. There are a number of methods used in the municipal and financial community to measure the adequacy of working funds. Emphasis is often placed on recognized commercial accounting ratios and indicators, such as the beginning and year-end cash balances, cash and marketable securities to current liabilities, and the balance on the Reserve for Working Funds compared to total tax arrears.

Experience has shown these ratios and indicators too often have severe limitations because municipalities are not profit-oriented corporations, and they have extensive temporary borrowing powers* compared to many private sector corporations. A better measure of the adequacy of working funds is to see how much the municipality actually paid in short-term interest costs during the year, and to look at the dollar figure and its relationship to the total spending of the municipality rather than looking at a ratio on a balance sheet which may only have had that value on one particular day (i.e., December 31st). But even here caution is needed because some municipalities do not capitalize short-term interest costs on some capital projects. Where it is not capitalized, the interest charge will show up in the operating account (Revenue Fund) rather than in the more usual place in the capital account. This has to be borne in mind when using short-term interest as an indicator.

Comparison of in-year spending levels with tax billing due dates is also a useful indication of sound management practices.

Prudent financial management also requires that long term financial planning be carried out by municipalities. In this context, the existence of a five-year capital forecast, provision of adequate reserves, a twelve-month cash flow projection, and short-term investment of surplus funds can all indicate sound management practices, and will probably be reflected in the municipality's financial operations and performance. In brief, good financial management practices simply increase the probability that the municipality will respond appropriately to whatever situation arises and meet its long term obligations.

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* S. 189 Municipal Act authorizes a municipality to borrow up to 70 per cent of its uncollected revenues. It can borrow over that limit with OMB permission.

V. Conclusion

The most important part of preparing an evaluation is tying all the indicators together into an integrated financial assessment. Each indicator is generally inter-related with others. The object is to recognize the pattern and isolate the key factors that emerge from the pattern. The prime rule is that any unusual statistics or trends must be examined and explained.

Each municipality is unique. A municipality's actions may also have been influenced by an important factor that is not obvious from the basic standard statistics reviewed during an evaluation. The approach taken in preparing an evaluation, therefore, has to be flexible, not merely a repetitious mechanical exercise, so as to take into account unusual factors.

A sample municipal financial evaluation is set out in Section VI. It deals with the impact of a proposed project in a particular municipality. Consequently, the approach taken in the evaluation, while indicating how that particular application was approached, does not mean that the exact same approach should be used in a different context.

Also, the complexity and range of services provided differ from municipality to municipality, so not all of the indicators mentioned earlier will be referred to in the sample evaluation. Nevertheless, the appended evaluation does indicate how the techniques discussed here are applied in practice.

VI. Sample Evaluation

This represents an example only, and should not be applied to any particular municipality. It indicates how the approach described above was applied in a particular situation.

Introduction

This evaluation was prepared to determine whether the "Township"* has the financial capacity to absorb the cost of the sewage and water projects designed to provide those services to a proposed development area of the Township.

The method adopted in this evaluation was to examine the Township's financial position at December 31, 1981, and its financial performance during the period 1978 to 1981 inclusive. Comparisons were also made where appropriate to a sample group of similar municipalities in the central part of the Province, each with an urban area in the municipality recently serviced with sewage and water.

Socio-Economic Profile

The Township is located in the central part of the Province. In 1981, the Township covered an area of approximately 40,000 hectares.

The population of the Township has increased by 3.1 per cent since 1978 to a level of 2,500 in 1981. The rate of increase in 1981 over 1980 was 2.2 per cent.

The age group profile for the Township is generally shifting as the post-war "baby boom" matures. The proportion of the dependent age group (0-19) is declining. The increase in the independent age group (20-64) reflects the maturing of the "baby boom" population. The third population group of persons 65 years of age or older has increased significantly since 1978.

Population trends have been less extreme in the Township compared to changes in the sample. Although the Township's dependant age group is slightly smaller than the sample's, it has been relatively stable since 1978. The sample's dependant age group, however, was much smaller in 1981 than in 1978. The Township's dependant population increased 7.1 per cent from 1978 to 1981, accounting for about 59 per cent of the total population. The dependant population of the sample decreased 3.2 per cent from 1978 even though it increased its proportion of the total population from 55.8 per cent in 1977 to 59.6 per cent in 1981. Part of the decrease in the sample's dependant population, as well as independent population, could be attributed to people emigrating to urban areas. The Township's population of persons 65 years of age or older increased at a rate higher than that of the sample, 20.5 and 6.6 per cent respectively. In 1981, 13.0 per cent of the Township's population was over the age of 65 compared to less than 9.0 per cent for the sample.

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* The municipality used in this example is a hypothetical composite based on a number of evaluations carried out in recent years. It is not an actual Ontario municipality.

The number of households in the Township increased from 2,512 in 1978 to 2,600 in 1981. This represents a 3.5 percentage change, with 2.7 per cent of the increase occurring since 1980. The number of households in the sample decreased 4.8 per cent since 1977.

The Township is mostly a residential and rural municipality. In 1981, its assessment composition was approximately 80 per cent residential and farm, and 20 per cent commercial/industrial. The assessment mix of the sample was 78 per cent residential and 22 per cent commercial/industrial.

Equalized assessment has increased at a greater rate in the Township than in the sample municipalities. Between 1979 and 1981, it increased 16.1 per cent while the sample's equalized assessment increased 11.3 per cent during the same period.

Employment in the Township is centred around farming, fruit growing, and tourism. In all, there are five firms operating in the Township. Two industrial employers supply the Township and the surrounding areas with farm supplies and fertilizers. The firms employ about 75 persons. A manufacturing firm employing 25 people manufactures fruit containers and skids. A food processing plant employing 25 people full time and about 200 during Autumn prepares canned fruit products. The only industrial firm not related to the agricultural sector is a furniture firm employing about 10 people. Employment at all the firms has been relatively constant since 1977, and it is expected to remain so for the medium term at least.

A substantial portion of the Township is used not for agriculture but for recreation. The majority of residential units in the Township, 56 per cent, are seasonal dwellings. This generates seasonal employment for about 200 people in the tourism industry.

The regional Employment and Immigration Canada office estimates the average annual unemployment rate in the Township to be between 7.0 and 8.0 per cent. Since employment in agriculture and industry has been constant in recent years, the Township's unemployment rate is a result of the increase in the independent age group. About 50 Township people work in the automobile parts company in the adjacent township. In comparison, the unemployment rate for the region was 8.8 per cent.

Cost of The Proposed Sewage And Water Projects

The gross cost of the sewage and water projects totalled $15.3 million. The Ministry of the Environment (M.O.E.) had made a commitment to provide a grant of $8.3 million and this was supplemented by a commitment of $4.6 million from the B.I.L.D. program. Total provincial grants to the projects, therefore, amounted to $12.9 million leaving a balance of $2.4 million to be financed by the Township.

The Township proposed to utilize $0.3 million from its reserves and to finance the balance from a $2.1 million debenture issue with a 20 year term and 18 per cent interest rate. The debenture issue was to provide $1.5 million for the sewage project and $0.6 million for the water project.

The Ministry of the Environment estimated that the annual debt charges for the debenture financing together with annual operating costs would produce an annual charge per average household of $413 for sewage and $180 for water, giving a total annual charge of $593 per average household.

The costs were based on estimates prior to receiving or accepting tender bids. The annual charges per household had been calculated on the assumption that development would take place and generate substantial revenue from development charges, and an increased number of user properties. Consequently, the annual charges per average household may very well be understated if future development does not take place. The necessity for significant new development to be generated in order to make the sewage and water projects feasible is well illustrated by the estimated cash flow statements for 1986, which is scheduled to be the first year of operation after completion of the projects:

> "...of the $609,000 revenue required to pay annual debt charges and operating costs, 46 per cent or $280,000 is anticipated to be raised from lot levies. In future years, the $280,000 per annum is to be raised from a combination of lot levies and service revenue (from property owners who will have paid their lot levies in a prior year and will then start paying the user service charges). That level of revenue is estimated to require about 300 new water users and 500 new sewage users, in total, in order to keep the user service rates at the $539 per average household mentioned earlier."

If no new user revenue is generated, the annual charges per average household could double. However, the Township and M.O.E. state that firm subdivision approvals for 880 lots are pending in the development area subject to the sewage and water projects being started.

Debt Level And Debt Capacity

The Ontario Municipal Board guidelines for municipalities such as the Township, when applied to the details set out in the Township's 1981 Financial Information Return, indicates an unused debt capacity of either $1.1 million or $1.4 million depending on whether the Township is classified as a normal growth or high growth municipality respectively.

During the period 1978 to 1981, the Township's population increased by 3 per cent while the number of households increased by 4 per cent. As both percentages are similar to the provincial averages, the Township should be classified as a normal growth area; its unused debt capacity would be $1.1 million.

However, the Township had (i) outstanding capital approvals at December 31, 1981 amounting to $81,550 in respect of a water project; and (ii) a 1982 application for a capital approval for $43,750 in respect of part of the cost of construction of a new works building (gross cost $247,000). When deducted from the $1.1 million mentioned in the preceding paragraph, the Township had an "available" debt capacity of $1.0 million; an amount which is insufficient to accommodate the proposed sewage and water projects. Appendix 'B' to this evaluation indicates that the Township may not have the necessary capacity even by 1986. Therefore, phasing in construction over a three or four year period up to 1985/6 is immaterial.

At December 31, 1981, the Township had only a nominal amount of long term debt ($13 per household). The Township's estimated share of the capital cost of the sewer and water projects which will be debentured would increase its long term debt to $820 per household. That level of debt per household while being high for a Township in that part of the Province would be (a) slightly lower than the provincial average of $1,000 per household, and (b) much lower than the per household debt levels of most other municipalities in the area which have sewer and water services.

The large number of seasonal dwellings included in the Township's total household count tends to distort the debt per household comparisons. Exclusion of the seasonal dwellings would result in the $820 figure mentioned above being increased to approximately $1,800 per household.

Property Tax Levels

In 1981 total property taxes (i.e. taxes including county and school purposes together with any special charges such as garbage, etc.,) for an average household in the Township were $510 or 3.0 per cent of income per average household for permanent residents.

It should be noted that only 44 per cent of the residential units in the Township are permanent dwellings, the majority are seasonal dwellings and consequently, the incomes of their owners are not reported with Revenue Canada as being for the Township area.

If the Township's level of property taxes was increased by the $593 estimated impact of the sewer and water projects then, using 1981 as a guideline, estimated charges per household in the serviced area would be approximately $1,100. That would represent 6.5 per cent of household income for those in the serviced area who are permanent residents. Such a level would be extremely high for a municipality of the Township's size and service levels and would be one of the highest (if not the highest) in the Province.

In 1981 total property taxes, including special charges for the sample, were 3.5 per cent of income. The range was from a low of 3.1 per cent to a high of 3.9 per cent.

Consequently, the estimated level of property taxes to be levied in the serviced area of the Township will be substantially above the level of that in other small municipalities in that part of the Province which have sewage and water services.

However, sewage and water services are among the highest cost services for municipalities in Ontario and often the newer the systems, the higher the cost because of inflation and interest rates being so high in recent years compared to even five years ago. There is, therefore, a wide spread in sewage and water charges even among neighbouring municipalities. Therefore there is no firm guideline as to what is an appropriate level of municipal service charges. It should be noted that recent evaluations have indicated that municipalities with municipal service charges to household income ratios higher than 4.3 or 4.4 per cent tend to be in financial difficulties. Also, some municipalities with sewage or water systems which were oversized in anticipation of, and initial rates based on, substantial projected population or development growth are now having difficulty coping with the resulting large increase in service rates caused by the growth either not happening or being much lower than projected.

A nearby town has already appealed to Cabinet against such a sewage rate increase. There have been a number of such appeals in the last two years. Most have been initiated because of substantial rate increases proposed by M.O.E. in order to combat operating deficits caused by the usage of the systems being too low to generate sufficient revenue for the system(s) to pay their way.

Financial Management And Spending Patterns

Tax arrears in the Township at December 31, 1981 were 21 per cent of the total tax levy for that year. That level represented a continuation of the slight improvement in the tax arrears position shown each year since 1979 when they represented 24 per cent of the total tax levy.

However, the level of tax arrears was still high compared to other municipalities in the area and in 1981 was the seventh highest. A 1981 increase in the rate of interest charged on tax arrears did not appear to have any major impact on the tax collections.

Although the Township had only a small accumulated surplus at the end of 1981, it did have a substantial amount in reserves and reserve funds, $458,000. These exclude the Ontario Home Renewal Fund reserve which is not available for general municipal purposes.

Total reserves and reserve funds increased by almost $300,000 during the period 1978 to 1981. The major sources of the increased revenue were a $152,000 transfer from accumulated surplus in 1979, which was used to increase the Reserve for Working Funds, and lot levies and subdividers contributions which were consistently in the $50,000 to $60,000 range throughout the four year period reviewed.

At the end of 1981, the Reserve for Working Funds totalled $244,000 and, in light of the substantial tax arrears, is not quite adequate for the Township's needs. An opinion which seems to be supported by the fact that the Township did incur $18,000 of short-term interest costs in 1981.

As far as the lot levies and subdividers contributions are concerned, some of the moneys were spent on minor capital works. The increase in the reserve fund over the four year period was $124,000. The in-flow of revenue was $226,000, and $102,000 was spent. The balance remaining at December 31, 1981 was $163,000, a sum which will make very little impact on the net financing needs of the Township in respect of the sewage and water projects.

At December 31, 1981, the Township had a $107,000 accumulated under-levy for school purposes. The under-levy was equal to approximately $28 per average household and reflects a liability for a $116,000 loan from the Province of Ontario. The terms of the loan stated that some or all of it may be forgiven in certain circumstances, but as yet no final decision on that point has been made.

The Township provides only a limited range of services and during the four year period reviewed (1978/81) 70 per cent of its revenue fund spending was in respect of just two service functions, general government and roadways. Despite the limited services, the Township's level of municipal service charges is relatively high in relation to the income levels in the area.

Conclusion

In summary, the Township does not appear to have the debt capacity to accommodate its share of the financing of the proposed projects. Also, for those properties which will receive both sewage and water service, the estimated annual charges will more than double their municipal service charges.

In addition, almost half the required annual revenue to pay for the sewage and water systems is expected to be met from lot levies and user charges to be generated by future development in the Township. In the case of the sewage system, the revenue from future development is expected to pay for 80 per cent of the capital debt charges, ($244,000 out of debt charges of $277,000 per year).

The municipality and the Ministry of the Environment have stated that the development of over 1,000 lots is held up pending the provision of sewer and water services. However, if the development either does not occur or is far below the anticipated rate, then the existing tax base of the municipality will have to bear the burden and the sewage and water charges will have to be drastically increased to cover project costs.

The Township's available reserves and reserve funds are low, its accummulated surplus on revenue fund is small, and its tax arrears and level of municipal property taxes are high.

Most of the dwellings in the municipality are seasonal dwellings, as are many of the properties to be serviced by the proposed sewage and water projects. However, the permanent residents of the area to be serviced by the projects, and indeed the municipality as a whole, have a relatively low annual income. The estimated annual sewage and water charges would raise municipal service charges per average household to over $1,100 per year with the prospect of further substantial increases if anticipated development does not reach projected levels, and actual construction costs exceed the pre-tender estimates currently being used.

The projects appear to be beyond the capacity of the Township and its taxpayers. The municipality should either seek further subsidies, at least on a contingency basis depending on the amount of development it is able to attract, for the projects or proceed with only one of the projects at the present time.

Financial Profile **Table 1**

	Township		Sample Average
	1981	% Change 1978/81	1981
Socio-Economic Data			
Population	2,500	3.1	4,373
Households	2,600	3.5	1,323
Assessment Mix (Res/Comm)	80/20		78/22
Taxable Assessment ($000)	94,000	8.5	N/A
Net Long Term Debt Per/Household ($)	13	(23.3)	445
Household Income ($)	17,000	N/A	25,000
Property Tax Level ($)			
Municipal Purposes	100		160
County Purposes	80		80
School Purposes	330		390
Subtotal	510		630
Special Charges	—		240
Total	510		870
Total Taxes As % of Household Income	3.0		3.5

Projections of the Township's debt capacity and the effects on it of debt repayments, natural inflationary increases in revenue fund spending, and the proposed sewage and water projects **Table 2**

	1982	1983	1984	1985	1986
	$(000)	$(000)	$(000)	$(000)	$(000)
Revenue Fund Spending	1,080	1,135	1,182	1,218	1,242
20% Revenue Fund Spending	216	227	236	244	248
Less:					
Debt Charges on Existing Debt	13	15	9	7	6
Balance Available To Finance New Debt	203	212	227	237	242
Capitalized Value (Based on 17.5% Rate Over 20 Years)	1,114	1,163	1,246	1,300	1,328
Less:					
i) Projects Approved But Not Permanently Financed At End of Year	(82)	(82)	(82)	(82)	(82)
ii) Other Projects Submitted To OMB For Approval In 1982	(44)	(44)	(44)	(44)	(44)
Balance Available To Finance Sewer And Water Project	988	1,037	1,120	1,174	1,202
Estimated Debenture Requirements of Sewer And Water Projects (Cumulative)	2,066	2,066	2,066	2,066	2,066

Appendix A

Detailed Municipal Financial Data
By Upper Tier

Table 1: Demographics
Table 2: Revenue Fund Revenues
Table 3: Revenue Fund Expenditures
Table 4: Capital Fund Revenues
Table 5: Capital Fund Expenditures and Transfers
Table 6: Municipal Debt and Debt Charges

Note: Figures may vary from those in the text due to rounding.

Demographics **Table 1**

		Population			
	No. of Municipalities	Total	0-19	20-65	66
			%	%	%
Metropolitan Toronto	7	2,143,493	26.5	63.1	10.4
Regions					
Durham	9	276,775	34.0	58.9	7.1
Haldimand - Norfolk	7	87,544	32.2	56.2	11.7
Halton	5	247,311	33.5	59.7	6.8
Hamilton - Wentworth	7	410,045	29.4	60.1	10.6
Niagara	13	367,665	31.2	58.1	10.7
Ottawa - Carleton	12	548,995	28.7	62.6	8.7
Peel	4	464,491	35.4	60.0	4.6
Sudbury	8	159,701	35.9	58.0	6.1
Waterloo	8	306,776	32.7	58.9	8.4
York	10	238,830	33.5	59.1	7.3
Muskoka	7	36,748	28.5	56.6	14.9
Oxford	9	84,831	32.2	56.2	11.6
Total	99	3,229,712			
Counties					
Brant	8	99,136	31.7	57.1	11.1
Bruce	32	57,728	33.4	54.1	12.5
Dufferin	10	30,497	35.4	55.2	9.5
Elgin	18	69,465	32.6	54.9	12.5
Essex	24	316,778	32.4	57.3	10.3
Frontenac	17	115,452	27.3	62.9	9.8
Grey	28	73,066	30.8	55.1	14.1
Haliburton	11	10,876	26.9	56.1	17.0
Hastings	30	104,757	31.6	57.3	11.1
Huron	27	56,054	33.0	53.7	13.3
Kent	23	106,313	32.8	56.1	11.2
Lambton	22	118,500	32.5	58.1	9.4
Lanark	18	45,190	29.5	56.6	13.9
Leeds and Grenville	26	81,133	30.9	56.5	12.5
Lennox and Addington	14	32,580	33.7	55.3	11.0
Middlesex	24	323,953	30.0	60.3	9.7
Northumberland	16	64,232	31.0	56.1	12.9
Perth	17	65,926	32.6	55.1	12.4
Peterborough	20	101,968	30.4	57.8	11.8
Prescott and Russell	19	52,453	34.1	56.5	9.3
Prince Edward	11	22,130	29.6	56.0	14.4
Renfrew	38	86,426	32.2	56.7	11.1
Simcoe	36	220,949	31.9	57.4	10.7
Stormont, Dundas and Glengarry	22	100,283	32.1	56.1	11.8
Victoria	19	47,533	29.9	55.5	14.7
Wellington	23	131,013	32.3	57.8	9.9
Total	553	2,534,391			
Districts					
Algoma	24	120,676	35.1	58.1	6.8
Cochrane	14	86,698	35.8	56.3	7.9
Kenora	13	36,493	33.3	58.0	8.6
Manitoulin	13	7,014	29.8	52.9	17.3
Nipissing	16	74,384	34.4	56.5	9.0
Parry Sound	28	28,458	30.0	55.7	14.3
Rainy River	15	19,966	33.1	55.3	11.6
Sudbury	11	18,738	37.7	55.0	7.4
Thunder Bay	19	142,023	31.5	59.1	9.3
Timiskaming	26	37,910	34.0	54.2	11.8
Total	179	572,360			
PROVINCIAL TOTAL	838	8,479,956	30.6	59.7	9.7

Demographics Table 1 (Cont.)

	Households			Hectares	
	Total	% Permanent	Population to Household Ratio	Total	Population per Hectare
Metropolitan Toronto	814,556	100.0	2.6	63,831	33.6
Regions					
Durham	95,458	97.8	3.0	242,184	1.1
Haldimand - Norfolk	35,584	87.5	2.8	282,725	0.3
Halton	81,899	99.9	3.0	98,305	2.5
Hamilton - Wentworth	154,090	99.9	2.7	112,136	3.7
Niagara	136,499	97.7	2.8	179,828	2.0
Ottawa - Carleton	210,536	99.3	2.6	269,634	2.0
Peel	153,257	100.0	3.0	126,312	3.7
Sudbury	55,728	96.5	3.0	279,244	0.6
Waterloo	109,370	99.9	2.8	134,270	2.3
York	77,279	96.1	3.2	171,869	1.4
Muskoka	33,505	42.1	2.6	381,619	0.1
Oxford	30,082	99.7	2.8	196,373	0.4
Total	1,173,287	96.9	2.8	2,474,499	1.3
Counties					
Brant	36,740	100.0	2.7	91,662	1.1
Bruce	29,917	72.4	2.7	394,065	0.1
Dufferin	10,993	94.0	3.0	148,958	0.2
Elgin	26,011	96.6	2.8	187,985	0.4
Essex	118,618	98.0	2.7	186,198	1.7
Frontenac	47,373	85.9	2.8	381,972	0.3
Grey	33,157	86.2	2.6	450,470	0.2
Haliburton	16,837	27.1	2.4	416,872	0.0
Hastings	43,471	87.3	2.8	586,955	0.2
Huron	23,151	86.8	2.8	340,273	0.2
Kent	40,091	97.3	2.7	248,113	0.4
Lambton	46,839	95.0	2.7	283,091	0.4
Lanark	20,259	80.4	2.8	293,887	0.2
Leeds and Grenville	35,395	84.3	2.7	339,010	0.2
Lennox and Addington	13,941	83.5	2.8	284,071	0.1
Middlesex	125,094	100.0	2.6	328,812	1.0
Northumberland	26,924	87.4	2.7	209,325	0.3
Perth	23,778	99.8	2.8	219,015	0.3
Peterborough	49,050	75.8	2.7	394,256	0.3
Prescott and Russell	17,858	95.7	3.1	200,273	0.3
Prince Edward	9,774	85.0	2.7	104,820	0.2
Renfrew	34,501	83.6	3.0	763,870	0.1
Simcoe	95,754	80.3	2.9	480,000	0.5
Stormont, Dundas and Glengarry	36,474	97.6	2.8	329,339	0.3
Victoria	26,184	70.5	2.6	306,690	0.2
Wellington	46,986	97.7	2.9	265,928	0.5
Total	1,035,170	89.2	2.7	8,235,910	0.3
Districts					
Algoma	44,126	93.8	2.9	359,202	0.3
Cochrane	30,758	95.5	3.0	810,568	0.1
Kenora	14,235	92.0	2.8	166,146	0.2
Manitoulin	4,253	67.5	2.4	164,653	0.0
Nipissing	27,063	93.0	3.0	272,816	0.3
Parry Sound	21623	49.3	2.7	498,795	0.1
Rainy River	7,852	96.7	2.6	236,035	0.1
Sudbury	6,957	89.9	3.0	150,980	0.1
Thunder Bay	52,587	96.8	2.8	372,686	0.4
Timiskaming	14,574	97.1	2.7	301,695	0.1
Total	224,028	89.9	2.8	3,333,576	0.2
PROVINCIAL TOTAL	3,247,041	94.8	2.8	14,107,816	0.6

Demographics

Table 1
(Concluded)

	Assessment		
	Equalized	Residential Portion	Equalized per Household
	$000	%	$
Metropolitan Toronto	60,972,547	54.8	74,813
Regions			
Durham	6,823,584	73.1	71,827
Haldimand - Norfolk	2,506,558	75.4	69,627
Halton	6,534,198	73.5	79,685
Hamilton - Wentworth	8,732,392	62.5	56,704
Niagara	7,639,312	66.0	56,171
Ottawa - Carleton	12,645,195	71.7	59,930
Peel	14,124,420	70.0	92,316
Sudbury	3,198,789	61.2	57,121
Waterloo	6,902,306	65.1	63,324
York	7,922,265	76.9	102,887
Muskoka	3,907,581	87.3	114,929
Oxford	2,350,997	69.4	78,367
Total	83,287,598	70.5	71,004
Counties			
Brant	2,251,635	67.4	60,855
Bruce	1,617,100	89.7	53,903
Dufferin	798,208	85.1	72,564
Elgin	1,737,087	72.5	66,811
Essex	7,982,207	68.2	67,077
Frontenac	2,239,764	71.9	47,655
Grey	1,955,789	79.7	59,266
Haliburton	645,703	91.6	37,983
Hastings	1,947,292	70.8	45,286
Huron	1,808,688	85.8	78,639
Kent	3,102,707	74.4	77,568
Lambton	3,497,210	67.0	74,409
Lanark	857,133	78.6	42,857
Leeds and Grenville	1,692,528	69.1	48,358
Lennox and Addington	655,745	73.4	46,839
Middlesex	7,678,940	70.5	61,432
Northumberland	1,387,354	76.9	51,383
Perth	1,870,193	77.2	77,925
Peterborough	2,366,414	76.9	48,294
Prescott and Russell	955,546	76.7	53,086
Prince Edward	461,619	83.3	46,162
Renfrew	1,397,341	74.8	39,924
Simcoe	5,601,722	77.6	58,351
Stormont, Dundas and Glengarry	1,887,069	65.8	52,419
Victoria	1,337,619	88.4	51,447
Wellington	3,117,545	76.3	66,331
Total	60,850,158	74.1	58,792
Districts			
Algoma	2,658,610	59.4	60,423
Cochrane	1,457,116	53.4	47,004
Kenora	784,585	48.7	56,042
Manitoulin	186,043	84.9	46,511
Nipissing	1,240,600	63.7	45,948
Parry Sound	1,848,795	87.3	84,036
Rainy River	343,345	58.44	2,918
Sudbury	293,079	58.2	41,868
Thunder Bay	3,511,792	51.6	66,260
Timiskaming	473,390	64.7	31,559
Total	12,797,354	60.9	56,877
PROVINCIAL TOTAL	217,907,657	66.5	67,090

Revenue Fund Revenues

Table 2

	Taxation (Municipal)				
	Residential and Farm	Commercial Industrial and Business	Special Charges	Sewer Surcharge on Direct Water Billings	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto	391,904	417,283	17,715	30,045	856,947
Regions					
Durham	44,454	22,000	2,565	7,376	76,394
Haldimand - Norfolk	12,304	5,060	835	2,050	20,249
Halton	38,508	17,734	2,595	9,245	68,082
Hamilton - Wentworth	70,369	53,852	3,355	15,959	143,533
Niagara	59,247	39,849	3,834	1,609	104,539
Ottawa - Carleton	98,987	53,661	9,068	8,332	170,048
Peel	68,474	37,200	4,076	15,664	125,414
Sudbury	22,080	19,554	2,417	0	44,050
Waterloo	43,027	28,956	2,804	5,843	80,630
York	35,722	14,058	4,149	2,020	55,950
Muskoka	7,812	1,627	429	487	10,355
Oxford	12,208	8,565	1,002	663	22,438
Total	513,189	302,116	37,128	69,249	921,682
Counties					
Brant	13,416	8,589	1,113	1,344	24,462
Bruce	8,257	1,529	1,210	252	11,248
Dufferin	3,792	1,197	288	285	5,562
Elgin	7,576	4,227	977	232	13,011
Essex	47,459	33,830	5,234	1,397	87,920
Frontenac	14,074	7,133	1,133	583	22,923
Grey	9,243	4,322	814	606	14,985
Haliburton	2,343	247	156	58	2,804
Hastings	10,322	6,845	1,127	2,002	20,296
Huron	7,243	2,229	454	660	10,586
Kent	14,022	7,991	2,496	1,305	25,815
Lambton	17,307	11,849	2,450	853	32,459
Lanark	4,592	2,186	451	235	7,464
Leeds and Grenville	7,296	5,637	676	371	13,980
Lennox and Addington	2,721	1,327	391	320	4,759
Middlesex	45,349	25,580	3,700	75	74,703
Northumberland	5,985	3,165	682	547	10,379
Perth	8,218	4,497	708	795	14,218
Peterborough	14,586	7,958	1,114	324	23,982
Prescott and Russell	5,588	2,643	826	565	9,621
Prince Edward	2,091	628	219	33	2,971
Renfrew	6,733	3,994	1,085	804	12,616
Simcoe	25,998	13,068	2,965	2,324	44,354
Stormont, Dundas and Glengarry	9,782	8,044	1,445	844	20,116
Victoria	5,531	1,400	442	195	7,568
Wellington	16,661	7,602	1,053	1,856	27,172
Total	316,184	177,716	33,209	18,867	545,975
Districts					
Algoma	14,384	12,584	1,517	1,036	29,521
Cochrane	7,352	8,229	718	502	16,801
Kenora	3,566	4,852	603	494	9,514
Manitoulin	800	186	49	60	1,096
Nipissing	7,548	5,437	825	1,767	15,577
Parry Sound	3,767	911	311	231	5,220
Rainy River	1,868	2,042	256	293	4,460
Sudbury	1,403	1,318	183	118	3,021
Thunder Bay	16,724	19,724	973	321	37,742
Timiskaming	3,727	2,484	720	133	7,064
Total	61,139	57,766	6,155	4,955	130,016
PROVINCIAL TOTAL	1,282,416	954,881	94,208	123,116	2,454,621

Revenue Fund Revenues

Table 2
(Cont.)

	Ontario Grants		
	Unconditional	Conditional	Total
	$000	$000	$000
Metropolitan Toronto	131,353	294,798	426,151
Regions			
Durham	18,239	30,017	48,256
Haldimand - Norfolk	5,311	11,239	16,550
Halton	13,336	18,691	32,027
Hamilton - Wentworth	31,099	57,012	88,112
Niagara	28,907	39,103	68,010
Ottawa - Carleton	38,060	98,059	136,119
Peel	21,282	34,910	56,192
Sudbury	26,806	19,188	45,994
Waterloo	20,914	29,738	50,652
York	12,728	21,265	33,993
Muskoka	1,771	6,947	8,718
Oxford	5,183	8,898	14,081
Total	223,635	375,068	598,703
Counties			
Brant	6,742	9,945	16,687
Bruce	4,726	9,740	14,466
Dufferin	1,263	4,144	5,408
Elgin	4,303	8,283	12,587
Essex	19,142	36,499	55,641
Frontenac	6,399	15,789	22,188
Grey	4,225	13,571	17,796
Haliburton	799	4,536	5,335
Hastings	7,038	15,529	22,567
Huron	4,196	9,697	13,894
Kent	8,423	10,917	19,340
Lambton	5,877	15,875	21,752
Lanark	3,481	8,221	11,701
Leeds and Grenville	4,565	9,703	14,268
Lennox and Addington	1,642	5,624	7,266
Middlesex	19,081	35,651	54,732
Northumberland	3,167	10,692	13,858
Perth	4,428	6,823	11,252
Peterborough	5,848	10,699	16,547
Prescott and Russell	3,855	8,186	12,041
Prince Edward	1,245	2,389	3,634
Renfrew	5,623	13,745	19,368
Simcoe	10,395	19,350	29,745
Stormont, Dundas and Glengarry	8,394	17,030	25,424
Victoria	2,519	5,093	7,612
Wellington	6,536	15,068	21,604
Total	153,912	322,799	476,710
Districts			
Algoma	18,521	18,418	36,939
Cochrane	13,847	12,543	26,390
Kenora	5,535	9,046	14,581
Manitoulin	898	2,750	3,648
Nipissing	10,952	10,565	21,517
Parry Sound	3,681	5,372	9,053
Rainy River	3,598	3,804	7,401
Sudbury	2,255	4,246	6,501
Thunder Bay	25,477	23,863	49,340
Timiskaming	7,018	5,951	12,969
Total	91,781	96,559	188,340
PROVINCIAL TOTAL	600,682	1,089,223	1,689,905

Revenue Fund Revenues **Table 2 (Cont.)**

	Payments in Lieu of Taxes		
	Ontario	Other	Total
	$000	$000	$000
Metropolitan Toronto	45,842	30,714	76,556
Regions			
Durham	1,995	1,408	3,403
Haldimand - Norfolk	764	295	1,059
Halton	1,161	865	2,026
Hamilton - Wentworth	5,633	2,092	7,725
Niagara	3,328	3,023	6,351
Ottawa - Carleton	7,293	58,653	65,946
Peel	2,898	5,475	8,373
Sudbury	1,429	759	2,188
Waterloo	2,744	1,159	3,903
York	646	378	1,025
Muskoka	145	44	189
Oxford	299	255	554
Total	28,337	74,407	102,743
Counties			
Brant	400	517	917
Bruce	443	106	549
Dufferin	230	18	248
Elgin	431	112	543
Essex	2,324	2,149	4,473
Frontenac	1,172	2,599	3,771
Grey	375	309	684
Haliburton	127	9	136
Hastings	750	576	1,326
Huron	239	79	318
Kent	410	289	699
Lambton	901	372	1,274
Lanark	229	181	410
Leeds and Grenville	321	453	774
Lennox and Addington	262	388	650
Middlesex	3,361	1,777	5,138
Northumberland	363	879	1,242
Perth	277	169	447
Peterborough	588	704	1,292
Prescott and Russell	164	69	233
Prince Edward	85	64	149
Renfrew	544	1,374	1,918
Simcoe	913	905	1,819
Stormont, Dundas and Glengarry	919	1,976	2,895
Victoria	291	100	392
Wellington	1,015	413	1,428
Total	17,135	16,589	33,724
Districts			
Algoma	631	866	1,497
Cochrane	823	239	1,063
Kenora	370	397	767
Manitoulin	37	14	50
Nipissing	752	815	1,567
Parry Sound	89	27	116
Rainy River	171	49	220
Sudbury	80	15	95
Thunder Bay	1,713	1,536	3,249
Timiskaming	587	64	651
Total	5,253	4,022	9,275
PROVINCIAL TOTAL	96,567	125,731	222,299

Revenue Fund Revenues

Table 2 (Cont.)

	User Fees				
	Transit	Water	Homes for Aged	Other	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto	234,979	95,257	36,231	78,488	444,955
Regions					
Durham	1,835	8,167	4,220	10,826	25,049
Haldimand - Norfolk	0	2,246	2,138	2,676	7,060
Halton	2,007	6,856	1,706	6,982	17,552
Hamilton - Wentworth	0	15,062	13	12,585	27,660
Niagara	3,990	13,906	5,310	7,722	30,928
Ottawa - Carleton	34,867	20,071	4,245	21,386	80,569
Peel	8,217	20,013	3,083	18,818	50,131
Sudbury	2,323	4,680	1,628	4,796	13,426
Waterloo	4,739	8,485	1,703	41,168	56,094
York	944	9,074	1,259	7,639	18,915
Muskoka	0	816	517	1,114	2,447
Oxford	175	2,434	1,648	2,918	7,174
Total	59,096	111,809	27,468	138,632	337,005
Counties					
Brant	1,000	3,559	0	2,563	7,122
Bruce	2	960	1,363	2,801	5,126
Dufferin	0	314	936	1,335	2,586
Elgin	177	1,897	2,471	1,786	6,332
Essex	2,560	10,376	3,196	12,838	28,969
Frontenac	1,313	3,129	1,571	3,474	9,487
Grey	144	1,471	1,352	2,366	5,334
Haliburton	0	76	362	204	643
Hastings	494	3,199	1,516	2,422	7,631
Huron	0	1,198	1,690	3,991	6,879
Kent	299	3,644	1,791	4,000	9,733
Lambton	663	4,722	2,262	5,860	13,506
Lanark	0	1,047	1,551	1,313	3,911
Leeds and Grenville	0	1,874	1,669	1,567	5,109
Lennox and Addington	0	539	882	748	2,169
Middlesex	8,323	9,261	3,119	8,163	28,867
Northumberland	49	1,671	870	2,108	4,698
Perth	4	1,228	904	2,850	4,986
Peterborough	927	2,646	1,434	3,970	8,978
Prescott and Russell	0	1,161	805	1,907	3,872
Prince Edward	0	263	461	320	1,044
Renfrew	64	1,814	2,470	1,635	5,983
Simcoe	619	5,020	2,318	4,487	12,444
Stormont, Dundas & Glengarry	881	2,902	888	4,606	9,276
Victoria	85	743	888	1,382	3,098
Wellington	1,782	3,003	925	3,459	9,169
Total	19,387	67,718	37,694	82,153	206,952
Districts					
Algoma	1,279	3,493	1,620	3,453	9,845
Cochrane	827	2,541	1,479	2,137	6,983
Kenora	0	1,620	866	1,523	4,009
Manitoulin	0	94	343	305	743
Nipissing	849	2,029	1,745	2,041	6,664
Parry Sound	2	414	846	804	2,066
Rainy River	22	522	816	1,144	2,504
Sudbury	0	332	0	508	839
Thunder Bay	2,136	5,251	3,523	4,309	15,219
Timiskaming	0	803	325	1,213	2,341
Total	5,114	17,100	11,560	17,436	51,211
PROVINCIAL TOTAL	318,576	291,885	112,952	316,710	1,040,123

Revenue Fund Revenues

Table 2
(Concluded)

	Other Revenue	Total Revenue
	$000	$000
Metropolitan Toronto	186,985	1,991,595
Regions		
Durham	216,619	169,721
Haldimand - Norfolk	2,341	47,259
Halton	10,627	130,314
Hamilton - Wentworth	28,488	295,518
Niagara	13,721	223,549
Ottawa - Carleton	34,694	487,376
Peel	21,074	261,184
Sudbury	9,485	115,143
Waterloo	15,316	206,595
York	15,588	125,470
Muskoka	1,519	23,227
Oxford	2,507	46,755
Total	171,977	2,132,111
Counties		
Brant	5,513	54,701
Bruce	2,449	33,839
Dufferin	736	14,540
Elgin	2,317	34,790
Essex	14,051	191,055
Frontenac	4,813	63,183
Grey	2,573	41,371
Haliburton	729	9,647
Hastings	4,919	56,738
Huron	1,952	33,628
Kent	3,189	58,776
Lambton	5,361	74,351
Lanark	1,887	25,373
Leeds and Grenville	2,706	36,837
Lennox and Addington	971	15,815
Middlesex	9,986	173,427
Northumberland	2,798	32,975
Perth	1,875	32,778
Peterborough	2,611	53,409
Prescott and Russell	1,338	27,105
Prince Edward	409	8,207
Renfrew	2,507	42,393
Simcoe	12,478	100,840
Stormont, Dundas and Glengarry	4,095	61,806
Victoria	1,495	20,164
Wellington	3,489	62,862
Total	97,246	1,360,607
Districts		
Algoma	4,720	82,521
Cochrane	3,923	55,159
Kenora	3,892	32,763
Manitoulin	434	5,970
Nipissing	2,839	48,164
Parry Sound	986	17,441
Rainy River	2,030	16,615
Sudbury	806	11,263
Thunder Bay	7,102	112,652
Timiskaming	1,392	24,417
Total	28,124	406,967
PROVINCIAL TOTAL	484,333	5,891,280

Revenue Fund Expenditures

Table 3

	General Government	Protection to Persons and Property			
		Fire	Police	Other	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto	166,411	113,105	242,351	39,303	394,759
Regions					
Durham	20,090	11,150	16,900	4,090	32,140
Haldimand - Norfolk	5,204	1,536	3,534	1,536	6,606
Halton	14,196	7,298	13,381	4,883	25,561
Hamilton - Wentworth	31,272	17,207	31,968	6,367	55,542
Niagara	23,264	13,439	25,864	3,434	42,737
Ottawa - Carleton	54,015	28,295	39,373	7,504	75,172
Peel	27,633	17,644	29,771	8,277	55,692
Sudbury	16,603	5,051	9,490	1,929	16,469
Waterloo	48,063	15,071	19,660	5,119	39,849
York	12,977	7,060	13,191	4,506	24,757
Muskoka	2,844	639	0	306	946
Oxford	5,502	2,439	3,313	1,031	6,783
Total	261,663	126,831	206,443	48,982	382,255
Counties					
Brant	5,583	4,492	5,831	1,455	11,778
Bruce	4,470	834	1,415	1,211	3,460
Dufferin	1,783	317	1,033	341	1,691
Elgin	3,110	1,906	2,081	725	4,712
Essex	21,173	11,766	21,024	3,595	36,386
Frontenac	5,428	4,306	4,500	1,195	10,000
Grey	3,542	1,671	2,073	1,421	5,164
Haliburton	1,111	156	(3)	157	310
Hastings	4,845	3,397	4,118	1,340	8,856
Huron	3,821	692	1,249	984	2,926
Kent	7,467	3,082	4,377	2,096	9,555
Lambton	7,025	4,142	5,045	3,452	12,638
Lanark	2,536	1,046	1,358	244	2,648
Leeds and Grenville	4,374	1,891	2,325	798	5,015
Lennox and Addington	1,903	507	332	536	1,375
Middlesex	17,093	12,354	16,251	4,979	33,585
Northumberland	3,552	810	1,582	1,185	3,577
Perth	3,397	1,908	2,593	1,051	5,552
Peterborough	7,527	3,793	4,160	1,345	9,298
Prescott and Russell	4,152	668	571	751	1,990
Prince Edward	1,583	349	322	253	924
Renfrew	4,386	1,938	2,079	286	4,302
Simcoe	13,915	5,215	7,546	2,125	14,887
Stormont, Dundas and Glengarry	5,929	2,539	3,494	3,028	9,062
Victoria	2,596	991	869	532	2,392
Wellington	6,195	4,528	5,444	1,987	11,959
Total	148,496	75,298	101,672	37,072	214,041
Districts					
Algoma	7,295	5,841	6,947	2,451	15,239
Cochrane	5,052	3,295	3,910	1,316	8,521
Kenora	3,176	1,178	1,683	186	3,046
Manitoulin	695	86	0	41	127
Nipissing	4,792	3,269	4,653	921	8,843
Parry Sound	2,329	559	376	192	1,126
Rainy River	1,714	571	1,348	61	1,980
Sudbury	1,244	315	408	118	841
Thunder Bay	8,956	7,361	8,716	4,211	20,288
Timiskaming	2,887	1,108	1,023	188	2,319
Total	38,138	23,583	29,064	9,685	62,332
PROVINCIAL TOTAL	614,708	338,816	579,530	135,042	1,053,387

Revenue Fund Expenditures

Table 3 (Cont.)

	Transportation Services			
	Roads	Transit	Other	Total
	$000	$000	$000	$000
Metropolitan Toronto	145,548	352,116	28,232	525,896
Regions				
Durham	26,404	4,983	3,338	34,725
Haldimand - Norfolk	10,973	0	468	11,440
Halton	19,270	4,880	1,736	25,885
Hamilton - Wentworth	38,390	15,174	5,954	59,518
Niagara	35,338	7,759	3,853	46,949
Ottawa - Carleton	55,420	73,103	5,592	134,114
Peel	30,542	16,055	3,906	50,502
Sudbury	19,123	5,329	2,683	27,134
Waterloo	21,532	10,462	3,909	35,902
York	20,805	2,678	2,308	25,791
Muskoka	8,151	0	284	8,435
Oxford	9,653	555	1,746	11,953
Total	295,599	140,975	35,775	472,350
Counties				
Brant	8,488	2,195	701	11,384
Bruce	11,402	13	501	11,916
Dufferin	4,397	0	144	4,541
Elgin	7,090	512	568	8,171
Essex	26,886	5,526	4,709	37,121
Frontenac	10,511	3,091	1,168	14,770
Grey	12,997	338	506	13,841
Haliburton	3,506	0	64	3,571
Hastings	13,553	909	1,166	15,628
Huron	9,486	5	835	10,326
Kent	10,501	756	953	12,211
Lambton	12,469	1,888	1,391	15,748
Lanark	7,048	0	298	7,346
Leeds and Grenville	8,444	0	588	9,032
Lennox and Addington	4,995	0	609	5,603
Middlesex	22,869	12,589	1,984	37,442
Northumberland	8,186	157	805	9,148
Perth	7,270	459	587	8,317
Peterborough	10,837	2,240	1,238	14,315
Prescott and Russell	6,639	0	245	6,884
Prince Edward	2,387	0	171	2,558
Renfrew	9,465	118	710	10,293
Simcoe	22,359	1,452	2,504	26,315
Stormont, Dundas and Glengarry	15,019	1,999	751	17,769
Victoria	6,830	358	365	7,554
Wellington	14,044	2,327	1,094	17,465
Total	277,680	36,933	24,655	339,268
Districts				
Algoma	13,320	3,268	1,687	18,274
Cochrane	9,753	1,989	1,146	12,889
Kenora	4,835	33	1,231	6,099
Manitoulin	1,250	0	110	1,359
Nipissing	7,757	1,976	710	10,443
Parry Sound	4,853	4	229	5,086
Rainy River	3,039	119	492	3,650
Sudbury	2,419	0	126	2,545
Thunder Bay	12,751	6,354	3,258	22,363
Timiskaming	6,818	161	384	7,364
Total	66,794	13,905	9,373	90,072
PROVINCIAL TOTAL	785,621	543,929	98,036	1,427,586

Revenue Fund Expenditures | **Table 3 (Cont.)**

	Environmental Services			
	Sewers	Water	Solid Waste	Total
	$000	$000	$000	$000
Metropolitan Toronto	104,149	88,258	67,347	259,754
Regions				
Durham	12,438	9,743	3,855	26,036
Haldimand - Norfolk	2,866	2,677	979	6,522
Halton	11,800	8,496	4,415	24,711
Hamilton - Wentworth	22,051	16,098	14,911	53,060
Niagara	21,337	15,127	6,246	42,709
Ottawa - Carleton	24,531	26,522	6,844	57,898
Peel	23,691	21,251	7,792	52,734
Sudbury	11,451	7,772	2,542	21,765
Waterloo	11,916	8,797	3,873	24,586
York	9,515	11,190	3,518	24,223
Muskoka	1,292	1,350	1,002	3,644
Oxford	2,799	2,516	1,233	6,549
Total	155,688	131,541	57,209	344,437
Counties				
Brant	3,550	3,801	934	8,285
Bruce	1,526	1,679	770	3,974
Dufferin	651	302	315	1,269
Elgin	3,026	2,069	858	5,954
Essex	16,069	11,994	6,561	34,624
Frontenac	2,903	4,125	2,361	9,389
Grey	2,587	1,806	1,124	5,517
Haliburton	162	138	155	455
Hastings	3,947	3,537	1,079	8,563
Huron	1,442	1,516	525	3,484
Kent	4,736	4,424	1,659	10,818
Lambton	4,652	5,686	1,261	11,599
Lanark	1,554	1,284	511	3,349
Leeds and Grenville	2,177	2,067	885	5,129
Lennox and Addington	558	835	310	1,703
Middlesex	15,148	10,858	6,262	32,268
Northumberland	1,902	2,427	754	5,082
Perth	1,557	1,566	901	4,024
Peterborough	2,577	3,838	1,106	7,522
Prescott and Russell	1,126	1,369	486	2,981
Prince Edward	220	410	273	903
Renfrew	2,083	1,987	955	5,026
Simcoe	7,701	5,871	2,791	16,362
Stormont, Dundas and Glengarry	3,982	3,630	1,192	8,804
Victoria	831	820	731	2,382
Wellington	2,798	2,648	1,332	6,777
Total	89,465	80,688	36,089	206,241
Districts				
Algoma	4,872	3,928	2,322	11,123
Cochrane	3,845	3,129	1,593	8,567
Kenora	2,536	1,892	838	5,266
Manitoulin	85	200	82	367
Nipissing	4,202	2,942	846	7,990
Parry Sound	967	523	524	2,014
Rainy River	1,327	559	322	2,208
Sudbury	365	506	251	1,122
Thunder Bay	5,599	5,493	2,975	14,066
Timiskaming	1,835	1,440	749	4,024
Total	25,634	20,610	10,502	56,746
PROVINCIAL TOTAL	374,936	321,096	171,146	867,179

Revenue Fund Expenditures **Table 3 (Cont.)**

	Social and Family Services				
	Health Assistance	General Assistance	Assistance To Aged	Assistance To Children	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto	63,295	109,786	89,783	80,918	343,782
Regions					
Durham	3,166	12,140	10,923	4,689	30,919
Haldimand - Norfolk	2,654	1,997	5,017	1,309	10,977
Halton	4,627	3,070	5,583	4,206	17,486
Hamilton - Wentworth	8,322	27,650	8,092	10,552	54,615
Niagara	5,305	12,748	14,646	6,591	39,289
Ottawa - Carleton	18,978	35,531	14,329	23,381	92,220
Peel	6,053	7,579	8,130	9,332	31,094
Sudbury	4,363	8,307	3,478	1,022	17,170
Waterloo	5,580	11,679	4,309	6,548	28,117
York	4,652	3,033	2,903	5,055	15,643
Muskoka	1,400	976	1,547	1,013	4,936
Oxford	2,438	2,319	2,565	1,370	8,692
Total	67,539	127,029	81,521	75,067	351,156
Counties					
Brant	519	4,674	540	2,793	8,526
Bruce	939	1,037	2,845	914	5,735
Dufferin	157	427	2,059	574	3,217
Elgin	1,045	1,397	4,875	879	8,197
Essex	3,722	19,286	7,201	7,912	38,121
Frontenac	542	4,407	5,533	3,981	14,463
Grey	1,763	2,209	2,951	1,423	8,346
Haliburton	258	274	1,117	1,431	3,079
Hastings	1,904	4,507	3,456	1,804	11,670
Huron	1,530	668	3,891	1,160	7,249
Kent	2,185	2,370	3,854	2,076	10,485
Lambton	1,422	3,014	6,374	2,443	13,253
Lanark	277	1,923	3,384	1,083	6,668
Leeds and Grenville	1,991	2,077	3,421	1,393	8,882
Lennox and Addington	144	784	1,771	547	3,246
Middlesex	4,944	10,762	9,375	6,242	31,323
Northumberland	3,968	1,741	1,763	886	8,359
Perth	1,704	1,287	1,643	1,400	6,035
Peterborough	1,609	3,582	2,936	589	8,717
Prescott and Russell	367	3,632	1,670	1,440	7,108
Prince Edward	95	269	972	371	1,708
Renfrew	2,316	2,037	7,173	1,505	13,031
Simcoe	5,274	4,298	4,209	2,765	16,546
Stormont, Dundas and Glengarry	2,319	3,874	2,663	2,425	11,281
Victoria	213	649	2,311	72	3,246
Wellington	2,172	5,034	2,018	2,038	11,262
Total	43,378	86,220	90,006	50,147	269,751
Districts					
Algoma	3,187	4,763	5,471	5,072	18,493
Cochrane	2,492	2,449	5,376	2,338	12,655
Kenora	2,214	852	2,896	4,321	10,283
Manitoulin	54	115	1,274	1,051	2,495
Nipissing	1,408	2,310	4,373	1,359	9,450
Parry Sound	524	852	2,436	759	4,570
Rainy River	572	391	2,437	882	4,283
Sudbury	223	211	449	2,824	3,707
Thunder Bay	2,650	5,809	11,897	4,602	24,959
Timiskaming	1,170	1,406	943	1,141	4,660
Total	14,495	19,160	37,553	24,349	95,557
PROVINCIAL TOTAL	188,708	342,194	298,863	230,480	1,060,246

Revenue Fund Expenditures **Table 3 (Cont.)**

	Recreation and Cultural Services		
	Parks and Recreation	Libraries	Total
	$000	$000	$000
Metropolitan Toronto	141,405	92,345	233,750
Regions			
Durham	13,792	4,221	18,013
Haldimand - Norfolk	3,132	769	3,900
Halton	13,290	5,325	18,615
Hamilton - Wentworth	15,483	15,882	31,365
Niagara	13,806	6,205	20,011
Ottawa - Carleton	36,183	10,215	46,399
Peel	22,300	8,137	30,437
Sudbury	9,232	2,160	11,391
Waterloo	16,123	9,680	25,802
York	10,871	4,107	14,979
Muskoka	1,605	458	2,063
Oxford	3,399	1,036	4,434
Total	159,214	68,195	227,409
Counties			
Brant	6,045	1,290	7,335
Bruce	3,293	770	4,063
Dufferin	1,326	277	1,603
Elgin	1,544	1,081	2,625
Essex	13,769	6,280	20,050
Frontenac	5,222	1,637	6,860
Grey	2,730	1,025	3,755
Haliburton	593	193	786
Hastings	3,768	1,212	4,979
Huron	2,527	827	3,354
Kent	3,563	1,526	5,088
Lambton	5,233	2,322	7,556
Lanark	1,616	405	2,021
Leeds and Grenville	2,424	791	3,215
Lennox and Addington	1,014	301	1,315
Middlesex	8,939	7,359	16,298
Northumberland	2,482	327	2,809
Perth	2,547	735	3,282
Peterborough	3,840	1,229	5,070
Prescott and Russell	2,364	426	2,790
Prince Edward	441	334	776
Renfrew	3,495	680	4,176
Simcoe	7,054	2,373	9,427
Stormont, Dundas and Glengarry	5,357	1,282	6,639
Victoria	1,683	489	2,172
Wellington	4,663	2,025	6,688
Total	97,533	37,197	134,730
Districts			
Algoma	7,135	1,791	8,925
Cochrane	5,480	1,042	6,523
Kenora	2,390	709	3,099
Manitoulin	576	116	691
Nipissing	3,994	845	4,839
Parry Sound	1,112	215	1,327
Rainy River	1,445	444	1,889
Sudbury	1,364	201	1,565
Thunder Bay	12,425	4,327	16,752
Timiskaming	1,997	415	2,413
Total	37,919	10,104	48,022
PROVINCIAL TOTAL	436,071	207,840	643,911

Revenue Fund Expenditures

Table 3 (Concluded)

	Planning and Development	Total Expenditures	In Year Surplus (Deficit)
	$000	$000	$000
Metropolitan Toronto	31,240	1,955,592	36,003
Regions			
Durham	4,282	166,204	3,517
Haldimand - Norfolk	1,652	46,303	957
Halton	2,733	129,187	1,127
Hamilton - Wentworth	10,245	295,617	(99)
Niagara	5,734	220,693	2,856
Ottawa - Carleton	17,522	477,340	10,036
Peel	5,476	253,566	7,618
Sudbury	3,293	113,826	1,316
Waterloo	3,954	206,275	320
York	3,100	121,469	4,001
Muskoka	857	23,724	(497)
Oxford	2,713	46,626	128
Total	61,560	2,100,830	31,281
Counties			
Brant	1,272	54,164	537
Bruce	1,305	34,922	(1,084)
Dufferin	492	14,595	(55)
Elgin	1,627	34,395	394
Essex	6,114	193,589	(2,534)
Frontenac	1,329	62,238	944
Grey	1,177	41,342	29
Haliburton	198	9,510	137
Hastings	2,662	57,204	(465)
Huron	2,499	33,658	(30)
Kent	3,537	59,160	(384)
Lambton	5,559	73,379	973
Lanark	1,107	25,674	(302)
Leeds and Grenville	807	36,454	383
Lennox and Addington	467	15,612	203
Middlesex	4,760	172,769	658
Northumberland	689	33,216	(241)
Perth	1,742	32,348	430
Peterborough	1,215	53,662	(252)
Prescott and Russell	1,189	27,095	10
Prince Edward	242	8,693	(487)
Renfrew	1,260	42,474	(82)
Simcoe	3,253	100,705	135
Stormont, Dundas and Glengarry	4,097	63,580	(1,774)
Victoria	607	20,949	(785)
Wellington	2,078	62,427	435
Total	51,282	1,363,813	(3,205)
Districts			
Algoma	3,191	82,541	(19)
Cochrane	1,011	55,217	(58)
Kenora	1,371	32,340	424
Manitoulin	181	5,913	58
Nipissing	1,355	47,712	452
Parry Sound	599	17,051	390
Rainy River	895	16,619	(4)
Sudbury	224	11,248	15
Thunder Bay	2,830	110,215	2,437
Timiskaming	1,237	24,903	(486)
Total	12,894	403,758	3,209
PROVINCIAL TOTAL	156,976	5,823,993	67,288

Unfinanced balances are shown without brackets while unexpended balances are shown in brackets.

Capital Fund Revenues

Table 4

	Transfers from Other Funds		
	Revenue Fund	Reserves and Reserve Funds	Total
	$000	$000	$000
Metropolitan Toronto	85,661	29,350	115,011
Regions			
Durham	10,559	11,180	21,739
Haldimand - Norfolk	3,259	1,069	4,328
Halton	11,204	6,901	18,105
Hamilton - Wentworth	18,542	7,672	26,214
Niagara	11,581	11,780	23,361
Ottawa - Carleton	9,523	27,314	36,836
Peel	10,413	32,528	42,941
Sudbury	5,466	2,079	7,545
Waterloo	6,653	17,160	23,814
York	8,558	24,351	32,909
Muskoka	2,731	341	3,072
Oxford	5,228	664	5,892
Total	103,715	143,040	246,755
Counties			
Brant	3,359	3,625	6,984
Bruce	3,182	1,532	4,714
Dufferin	794	119	913
Elgin	3,549	493	4,042
Essex	6,680	2,045	8,725
Frontenac	2,773	576	3,349
Grey	2,911	586	3,497
Haliburton	595	338	933
Hastings	5,207	649	5,856
Huron	2,982	645	3,627
Kent	4,273	194	4,467
Lambton	6,055	1,738	
Lanark	2,547	2,223	4,770
Leeds and Grenville	2,254	313	2,567
Lennox and Addington	513	377	890
Middlesex	7,179	4,365	11,544
Northumberland	2,534	211	2,745
Perth	3,147	98	3,245
Peterborough	3,657	1,134	4,791
Prescott and Russell	2,307	426	2,733
Prince Edward	957	0	957
Renfrew	2,100	326	2,425
Simcoe	10,941	3,749	14,690
Stormont, Dundas and Glengarry	4,241	320	4,560
Victoria	1,502	892	2,393
Wellington	3,367	3,355	6,722
Total	89,604	30,329	119,933
Districts			
Algoma	6,036	569	6,605
Cochrane	2,129	2,765	4,895
Kenora	3,809	127	3,936
Manitoulin	472	316	788
Nipissing	2,335	248	2,583
Parry Sound	1,753	113	1,867
Rainy River	1,153	161	1,314
Sudbury	478	24	502
Thunder Bay	7,021	4,927	11,948
Timiskaming	2,708	69	2,777
Total	27,896	9,319	37,215
PROVINCIAL TOTAL	306,876	212,038	518,914

Capital Fund Revenues — **Table 4 (Cont.)**

	Long Term Borrowing			
	Own Purposes	Unconsolidated Local Boards	Individuals	Total
	$000	$000	$000	$000
Metropolitan Toronto	81,403	0	0	81,403
Regions				
Durham	0	0	297	297
Haldimand - Norfolk	373	0	1,162	1,535
Halton	50	0	31	81
Hamilton - Wentworth	25,282	830	117	26,229
Niagara	16,095	0	677	16,772
Ottawa - Carleton	4,494	0	940	5,433
Peel	9,210	5,790	176	15,176
Sudbury	6,015	0	0	6,015
Waterloo	1,298	0	319	1,618
York	-82	0	41	-41
Muskoka	2,139	0	0	2,139
Oxford	2,553	0	1,120	3,673
Total	67,427	6,620	4,879	78,926
Counties				
Brant	9,117	0	94	9,210
Bruce	973	0	1,562	2,534
Dufferin	550	0	260	810
Elgin	3,196	0	1,677	4,873
Essex	7,194	0	1,805	8,999
Frontenac	775	0	10	785
Grey	1,548	0	564	2,113
Haliburton	0	0	0	0
Hastings	375	0	126	501
Huron	403	0	3,468	3,871
Kent	6,259	0	2,212	8,471
Lambton	5,963	0	3,620	9,584
Lanark	130	0	127	257
Leeds and Grenville	4,461	0	148	4,609
Lennox and Addington	0	0	48	48
Middlesex	2,924	0	2,313	5,237
Northumberland	77	85	338	500
Perth	118	0	1,845	1,962
Peterborough	-0	0	88	88
Prescott and Russell	61	0	1,503	1,564
Prince Edward	150	0	275	424
Renfrew	628	0	114	742
Simcoe	4,240	0	444	4,685
Stormont, Dundas and Glengarry	2,476	45	3,181	5,702
Victoria	20	0	342	362
Wellington	2,158	0	1,155	3,312
Total	53,797	130	27,316	81,243
Districts				
Algoma	1,797	965	47	2,809
Cochrane	2,102	18	37	2,157
Kenora	973	0	0	973
Manitoulin	10	0	14	24
Nipissing	3,758	338	99	4,194
Parry Sound	185	0	0	185
Rainy River	64	0	113	177
Sudbury	594	0	0	594
Thunder Bay	387	0	0	387
Timiskaming	115	0	1,008	1,123
Total	9,984	1,321	1,318	12,623
PROVINCIAL TOTAL	212,611	8,071	33,513	254,195

Capital Fund Revenues

Table 4
(Concluded)

	Ontario Grants	Other Sources	Total Revenues
	$000	$000	$000
Metropolitan Toronto	90,425	48,465	335,305
Regions			
Durham	9,850	4,226	36,113
Haldimand - Norfolk	3,738	1,047	10,649
Halton	10,254	12,493	40,932
Hamilton - Wentworth	6,211	5,346	64,000
Niagara	11,768	8,535	60,436
Ottawa - Carleton	29,369	14,498	86,137
Peel	14,807	11,668	84,591
Sudbury	8,868	1,595	24,023
Waterloo	9,872	2,556	37,860
York	9,340	23,190	65,398
Muskoka	6,811	2,411	14,432
Oxford	4,882	1,605	16,050
Total	125,771	89,170	540,621
Counties			
Brant	5,324	3,416	24,934
Bruce	3,983	1,322	12,552
Dufferin	1,219	337	3,279
Elgin	4,135	1,693	14,742
Essex	12,533	10,927	41,184
Frontenac	4,902	585	9,621
Grey	6,407	792	12,809
Haliburton	1,464	85	2,482
Hastings	3,564	2,386	12,307
Huron	2,859	1,688	12,045
Kent	4,416	2,089	19,442
Lambton	5,075	2,342	24,793
Lanark	1,528	792	7,347
Leeds and Grenville	6,330	1,048	14,555
Lennox and Addington	5,327	2,125	8,390
Middlesex	9,148	2,223	28,152
Northumberland	3,142	634	7,021
Perth	5,408	1,132	11,388
Peterborough	3,842	1,108	9,829
Prescott and Russell	5,859	570	10,725
Prince Edward	1,554	741	3,677
Renfrew	4,384	354	7,906
Simcoe	10,752	2,158	32,284
Stormont, Dundas and Glengarry	5,157	1,669	17,088
Victoria	3,448	1,062	7,265
Wellington	6,015	1,009	17,058
Total	127,413	44,286	372,874
Districts			
Algoma	11,736	5,503	26,654
Cochrane	6,149	646	13,846
Kenora	4,805	1,233	10,946
Manitoulin	3,392	475	4,678
Nipissing	5,576	146	12,500
Parry Sound	2,360	413	4,825
Rainy River	1,868	232	3,591
Sudbury	758	38	1,891
Thunder Bay	9,412	1,552	23,300
Timiskaming	2,417	1399	6,456
Total	48,473	10,377	108,688
PROVINCIAL TOTAL	392,082	192,298	1,357,488

Capital Fund Expenditures and Transfers

Table 5

	General Government	Protection to Persons and Property	Transportation Services		
			Roads	Transit	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto	10,076	11,816	67,687	68,449	136,136
Regions					
Durham	425	2,426	19,483	180	19,663
Haldimand - Norfolk	405	541	5,790	0	5,790
Halton	1,404	2,512	17,885	567	18,453
Hamilton - Wentworth	548	1,347	20,895	473	21,369
Niagara	2,837	2,004	22,534	667	23,200
Ottawa - Carleton	2,132	5,637	31,069	15,313	46,382
Peel	676	7,737	30,170	1,089	31,259
Sudbury	2,602	789	8,289	56	8,345
Waterloo	4,786	1,205	14,259	2,230	16,488
York	4,775	1,518	27,743	345	28,088
Muskoka	334	440	5,162	0	5,162
Oxford	481	299	7,141	37	7,178
Total	21,406	26,455	210,419	20,957	231,376
Counties					
Brant	164	282	4,143	376	4,519
Bruce	556	463	5,653	0	5,653
Dufferin	133	110	1,698	0	1,698
Elgin	189	144	4,426	6	4,432
Essex	592	608	18,180	23	18,202
Frontenac	124	362	4,529	209	4,738
Grey	219	295	3,126	127	3,253
Haliburton	22	47	1,546	0	1,546
Hastings	87	526	4,385	7	4,393
Huron	542	233	4,064	0	4,064
Kent	211	604	5,805	0	5,805
Lambton	1,139	433	8,757	245	9,001
Lanark	192	510	1,967	0	1,967
Leeds and Grenville	283	184	6,105	0	6,105
Lennox and Addington	97	107	4,721	0	4,721
Middlesex	852	2,052	11,830	267	12,097
Northumberland	64	353	4,679	6	4,686
Perth	325	210	3,788	111	3,899
Peterborough	310	339	4,789	171	4,960
Prescott and Russell	321	78	5,001	0	5,001
Prince Edward	492	93	1,584	0	1,584
Renfrew	222	111	4,849	99	4,948
Simcoe	806	1,172	12,965	667	13,631
Stormont, Dundas and Glengarry	110	335	8,638	0	8,638
Victoria	556	103	4,257	110	4,367
Wellington	2,072	287	9,948	4	9,951
Total	10,681	10,041	151,434	2,427	153,861
Districts					
Algoma	529	495	10,119	0	10,119
Cochrane	280	471	5,355	12	5,366
Kenora	312	167	4,273	0	4,273
Manitoulin	101	1	1,469	0	1,469
Nipissing	517	135	3,521	271	3,792
Parry Sound	113	147	2,204	0	2,204
Rainy River	20	87	2,676	6	2,682
Sudbury	35	77	669	0	669
Thunder Bay	570	1,272	7,252	280	7,533
Timiskaming	60	47	2,069	0	2,069
Total	2,537	2,899	39,608	569	40,177
PROVINCIAL TOTAL	44,700	51,211	469,148	92,402	561,550

Capital Fund Expenditures and Transfers

Table 5 (Cont.)

	Environmental Services				
	Sewers	Water	Solid Waste	Total	Health Services
	$000	$000	$000	$000	$000
Metropolitan Toronto	48,726	13,806	4,577	67,110	2,168
Regions					
Durham	9,224	3,625	284	13,133	27
Haldimand - Norfolk	203	398	70	672	58
Halton	6,219	9,506	993	16,718	69
Hamilton - Wentworth	5,072	4,085	761	9,918	11
Niagara	10,441	10,293	61	20,794	39
Ottawa - Carleton	12,115	4,699	77	16,891	2,881
Peel	25,230	5,132	967	31,329	5,116
Sudbury	10,737	1,303	64	12,105	91
Waterloo	7,340	3,367	203	10,910	30
York	12,301	2,027	345	14,673	265
Muskoka	2,195	5,545	20	7,759	2
Oxford	1,782	960	0	2,742	333
Total	102,858	50,939	3,845	157,642	8,923
Counties					
Brant	3,058	646	6	3,711	49
Bruce	2,689	837	25	3,551	14
Dufferin	861	0	0	861	0
Elgin	2,778	732	0	3,510	49
Essex	12,618	2,494	85	15,197	50
Frontenac	1,298	2,448	101	3,846	22
Grey	4,749	1,721	100	6,571	40
Haliburton	0	8	0	8	19
Hastings	147	1,496	48	1,691	8
Huron	347	376	3	725	192
Kent	1,023	1,920	74	3,017	19
Lambton	1,554	699	0	2,253	15
Lanark	1,154	685	240	2,078	5
Leeds and Grenville	1,905	1,106	1	3,012	232
Lennox and Addington	1,012	896	1	1,909	0
Middlesex	4,549	3,801	579	8,929	52
Northumberland	467	602	32	1,101	5
Perth	1,957	362	159	2,478	331
Peterborough	514	982	217	1,713	234
Prescott and Russell	536	590	48	1,175	2
Prince Edward	106	372	20	498	0
Renfrew	316	146	4	466	32
Simcoe	8,912	4,238	463	13,613	570
Stormont, Dundas and Glengarry	674	927	0	1,601	998
Victoria	424	40	9	473	2
Wellington	3,200	2,626	66	5,891	111
Total	56,847	30,749	2,280	89,877	3,048
Districts					
Algoma	1,537	1,144	95	2,775	350
Cochrane	1,823	912	11	2,746	1,224
Kenora	2,868	751	16	3,636	79
Manitoulin	4,347	28	20	4,395	19
Nipissing	2,764	2,388	6	5,158	99
Parry Sound	638	223	48	910	8
Rainy River	151	271	42	464	132
Sudbury	58	9	2	69	41
Thunder Bay	4,208	2,849	320	7,377	211
Timiskaming	1,957	627	0	2,584	25
Total	20,353	9,202	560	30,115	2,189
PROVINCIAL TOTAL	228,785	104,697	11,262	344,744	16,328

Capital Fund Expenditures and Transfers

Table 5
(Cont.)

	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total Own Expenditures
	$000	$000	$000	$000
Metropolitan Toronto	10,151	29,182	13,294	279,933
Regions				
Durham	462	2,935	497	39,568
Haldimand - Norfolk	6	906	1,976	10,355
Halton	329	5,097	258	44,841
Hamilton - Wentworth	62	2,913	7,286	43,453
Niagara	1,592	5,908	1,473	57,848
Ottawa - Carleton	568	7,044	16,299	97,834
Peel	180	11,514	21	87,832
Sudbury	39	1,941	1,203	27,115
Waterloo	44	4,419	3,526	41,407
York	74	10,266	8,256	67,916
Muskoka	11	1,030	322	15,061
Oxford	1	498	2,766	14,298
Total	3,370	54,473	43,882	547,527
Counties				
Brant	2	522	2,363	11,612
Bruce	46	1,058	710	12,052
Dufferin	12	243	204	3,260
Elgin	987	1,316	868	11,494
Essex	399	2,921	7,568	45,538
Frontenac	167	567	24	9,850
Grey	67	1,241	382	12,069
Haliburton	15	611	0	2,269
Hastings	62	850	3,377	10,993
Huron	89	891	1,021	7,756
Kent	195	660	5,173	15,683
Lambton	151	1,434	3,681	18,108
Lanark	49	1,583	505	6,890
Leeds and Grenville	4	2,694	340	12,854
Lennox and Addington	6	70	136	7,046
Middlesex	145	3,017	3,944	31,088
Northumberland	121	486	704	7,520
Perth	416	1,012	1,414	10,084
Peterborough	75	925	1,757	10,312
Prescott and Russell	53	712	1,635	8,977
Prince Edward	13	513	0	3,194
Renfrew	245	883	405	7,312
Simcoe	28	1,992	1,736	33,548
Stormont, Dundas and Glengarry	3	368	1,992	14,045
Victoria	54	1,402	228	7,185
Wellington	21	642	1,450	20,424
Total	3,424	28,615	41,616	341,164
Districts				
Algoma	48	1,390	26,823	42,530
Cochrane	139	1,292	474	11,993
Kenora	65	343	783	9,659
Manitoulin	16	114	16	6,131
Nipissing	20	820	459	11,000
Parry Sound	90	813	743	5,027
Rainy River	44	128	883	4,440
Sudbury	6	86	232	1,216
Thunder Bay	473	4,425	3,776	25,636
Timiskaming	1	282	672	5,740
Total	903	9,692	34,860	123,373
PROVINCIAL TOTAL	17,849	121,962	133,653	1,291,997

Capital Fund Expenditures and Transfers **Table 5 (Cont.)**

	Transfers			
	Local Unconsolidated Boards	Individuals	Other Funds	Total
	$000	$000	$000	$000
Metropolitan Toronto	0	0	1,918	1,918
Regions				
Durham	0	297	146	443
Haldimand - Norfolk	0	1,162	353	1,515
Halton	0	31	176	208
Hamilton - Wentworth	830	117	1,221	2,167
Niagara	0	677	1,085	1,762
Ottawa - Carleton	0	940	1,018	1,958
Peel	5,790	176	290	6,256
Sudbury	0	0	40	40
Waterloo	0	319	835	1,155
York	0	41	1,035	1,076
Muskoka	0	0	22	22
Oxford	0	1,120	0	1,120
Total	6,620	4,879	6,222	17,721
Counties				
Brant	0	94	93	187
Bruce	0	1,562	217	1,778
Dufferin	0	260	14	274
Elgin	0	1,677	644	2,321
Essex	0	1,805	692	2,497
Frontenac	0	10	0	10
Grey	0	564	44	608
Haliburton	0	0	0	0
Hastings	0	126	1,544	1,670
Huron	0	3,468	168	3,636
Kent	0	2,212	70	2,282
Lambton	0	3,620	637	4,258
Lanark	0	127	2	129
Leeds and Grenville	0	148	14	162
Lennox and Addington	0	48	4	52
Middlesex	0	2,313	2,618	4,931
Northumberland	85	338	163	585
Perth	0	1,845	65	1,910
Peterborough	0	88	150	238
Prescott and Russell	0	1,503	79	1,582
Prince Edward	0	275	0	274
Renfrew	0	114	10	124
Simcoe	0	444	1,657	2,101
Stormont, Dundas and Glengarry	45	3,181	245	3,471
Victoria	0	342	28	369
Wellington	0	1,155	13	1,168
Total	130	27,316	9,171	36,617
Districts				
Algoma	965	47	73	1,085
Cochrane	18	37	2	57
Kenora	0	0	107	107
Manitoulin	0	14	4	18
Nipissing	338	99	406	843
Parry Sound	0	0	54	54
Rainy River	0	113	30	143
Sudbury	0	0	19	19
Thunder Bay	0	0	62	62
Timiskaming	0	1,008	1	1,009
Total	1,321	1,318	758	3,397
PROVINCIAL TOTAL	8,071	33,513	18,070	59,654

Capital Fund Expenditures and Transfers

Table 5
(Concluded)

	Total Applications	Accumulated Balance at end of Year[1]
	$000	$000
Metropolitan Toronto	281,851	(57,581)
Regions		
Durham	40,011	6,900
Haldimand - Norfolk	11,870	2,949
Halton	45,049	7,989
Hamilton - Wentworth	45,620	(25,299)
Niagara	59,610	13,482
Ottawa - Carleton	99,792	27,923
Peel	94,088	13,822
Sudbury	27,155	9,904
Waterloo	42,562	7.043
York	68,991	5,454
Muskoka	15,083	2,139
Oxford	15,418	6,927
Total	565,249	79,232
Counties		
Brant	11,799	(2,550)
Bruce	13,830	1,865
Dufferin	3,535	1,509
Elgin	13,814	1,870
Essex	48,035	25,984
Frontenac	9,860	6,364
Grey	12,678	3,259
Haliburton	2,269	(13)
Hastings	12,663	4,854
Huron	11,392	974
Kent	17,965	5,197
Lambton	22,366	3,703
Lanark	7,019	199
Leeds and Grenville	13,015	898
Lennox and Addington	7,098	(232)
Middlesex	36,019	5,254
Northumberland	8,106	2,204
Perth	11,994	1,882
Peterborough	10,550	4,215
Prescott and Russell	10,559	2,414
Prince Edward	3,468	146
Renfrew	7,436	1,650
Simcoe	35,649	10,134
Stormont, Dundas and Glengarry	17,516	2,780
Victoria	7,554	838
Wellington	21,592	8,201
Total	377,781	93,600
Districts		
Algoma	43,615	20,257
Cochrane	12,050	(700)
Kenora	9,766	545
Manitoulin	6,149	2,035
Nipissing	11,843	4,092
Parry Sound	5,801	39
Rainy River	4,583	1,405
Sudbury	1,235	41
Thunder Bay	25,698	4,589
Timiskaming	6,749	503
Total	126,770	32,806
PROVINCIAL TOTAL	1,351,651	148,056

[1] Unfinanced balances are shown without brackets while unexpended balances are shown in brackets.

Municipal Debt and Debt Charges

Table 6

	Long Term Debt Outstanding	Debt Charges	Debt Charges as a Percent of Revenue Fund Expenditures
	$000	$000	%
Metropolitan Toronto	1,049,021	189,740	9.7
Regions			
Durham	106,399	11,396	6.9
Haldimand - Norfolk	20,601	3,016	6.5
Halton	84,520	12,204	9.4
Hamilton - Wentworth	160,385	24,396	8.3
Niagara	144,549	20,846	9.4
Ottawa - Carleton	294,020	48,422	10.1
Peel	139,276	21,132	8.3
Sudbury	77,729	12,204	10.7
Waterloo	45,511	10,224	5.0
York	41,850	5,530	4.6
Muskoka	6,863	827	3.5
Oxford	25,784	3,999	8.6
Total	1,147,489	174,198	8.3
Counties			
Brant	20,703	2,719	5.0
Bruce	16,272	1,978	5.7
Dufferin	3,983	794	5.4
Elgin	18,051	2,976	8.7
Essex	129,005	20,270	10.5
Frontenac	31,335	4,433	7.1
Grey	11,216	1,888	4.6
Haliburton	835	144	1.5
Hastings	17,874	3,379	5.9
Huron	19,494	2,850	8.5
Kent	47,067	6,984	11.8
Lambton	55,539	8,350	11.4
Lanark	2,858	1,299	5.1
Leeds and Grenville	19,755	3,027	8.3
Lennox and Addington	5,211	1,088	7.0
Middlesex	75,042	14,593	8.4
Northumberland	9,033	1,401	4.2
Perth	14,621	2,619	8.1
Peterborough	21,941	3,967	7.4
Prescott and Russell	11,231	1,703	6.3
Prince Edward	2,337	320	3.7
Renfrew	13,778	1,806	4.3
Simcoe	40,890	6,060	6.0
Stormont, Dundas and Glengarry	47,693	5,517	8.7
Victoria	4,608	772	3.7
Wellington	27,924	4,609	7.4
Total	668,293	105,546	7.7
Districts			
Algoma	28,831	5,764	7.0
Cochrane	19,925	3,263	5.9
Kenora	6,424	1,304	4.0
Manitoulin	453	101	2.2
Nipissing	28,694	4,143	8.7
Parry Sound	2,510	379	2.2
Rainy River	2,718	508	3.1
Sudbury	3,284	297	2.6
Thunder Bay	54,248	6,702	6.1
Timiskaming	5,833	973	3.9
Total	152,920	23,433	5.8
PROVINCIAL TOTAL	3,017,723	492,917	8.7

Appendix B

Detailed Municipal Financial Data By Municipal Status

Table 1: Demographics
Table 2: Revenue Fund Revenues
Table 3: Revenue Fund Expenditures
Table 4: Capital Fund Revenues
Table 5: Capital Fund Expenditures and Transfers
Table 6: Municipal Debt and Debt Charges

Note: Figures may vary from those in the text due to rounding.

Demographics

Table 1

	No. of Municipalities[1]	Population			
		Total	0-19	20-65	66+
			%	%	%
Metropolitan Toronto					
Cities	2	1,190,767	25.4	63.7	10.8
Boroughs	4	952,726	27.8	62.3	9.9
Total	6	2,143,493			
Regions					
Cities	21	2,147,560	31.1	60.4	8.4
Towns	37	795,583	33.9	58.5	7.6
Villages	1	2,334	30.3	57.6	12.1
Townships	28	284,235	34.6	56.5	8.9
Total	87	3,229,712			
Counties					
Cities	18	1,083,066	29.5	59.5	11.0
Separated Towns	4	23,261	28.1	55.6	16.3
Towns	68	347,564	30.9	54.7	14.4
Villages	110	124,544	30.6	53.2	16.1
Townships	326	955,286	34.3	56.5	9.2
Imp. Districts	1	670	33.0	48.8	18.2
Total	527	2,534,391			
Districts					
Cities	4	288,717	32.5	58.5	8.9
Towns	35	139,794	33.3	56.3	10.4
Villages	8	4,358	29.4	54.2	16.4
Townships	124	133,978	36.7	55.6	7.7
Dev. Area Boards	1	1,277	48.5	47.1	4.4
Imp. Districts	7	4,236	37.7	56.0	6.3
Total	179	572,360			
PROVINCIAL TOTAL	799	8,479,956	30.6	59.7	9.7

[1] Refers to lower tier municipalities only. For the total number of municipalities in Ontario, including upper tiers, see Table 1 in Appendix A.

Demographics **Table 1 (Cont.)**

	Households			Hectares	
	Total	% Permanent	Population to Household Ratio	Total	Population per Hectare
			%	%	%
Metropolitan Toronto					
Cities	461,755	100.0	2.6	27,871	42.7
Boroughs	352,801	100.0	2.7	35,960	26.5
Total	814,556	100.0	2.6	63,831	33.6
Regions					
Cities	787,249	99.7	2.7	362,763	5.9
Towns	271,987	95.3	3.1	982,950	0.8
Villages	603	100.0	3.9	175	13.3
Townships	113,448	81.4	3.1	1,128,611	0.3
Total	1,173,287	96.9	2.8	2,474,499	1.3
Counties					
Cities	420,391	100.0	2.6	79,510	13.6
Separated Towns	9,416	99.8	2.5	3,075	7.6
Towns	136,958	96.8	2.6	52,751	6.6
Villages	49,871	95.6	2.6	32,357	3.8
Townships	418,230	75.0	3.0	8,065,153	0.1
Imp. Districts	304	89.1	2.5	3,064	0.2
Total	1,035,170	89.2	2.7	8,235,910	0.3
Districts					
Cities	102,768	98.8	2.8	386,177	0.7
Towns	51,690	98.0	2.8	278,932	0.5
Villages	2,006	90.2	2.4	5,187	0.8
Townships	65,285	69.9	2.9	2,402,317	0.1
Dev. Area Boards	370	100.0	3.5	57,109	0.0
Imp. Districts	1,909	75.1	3.0	203,854	0.0
Total	224,028	89.9	2.8	3,333,576	0.2
PROVINCIAL TOTAL	3,247,041	94.8	2.8	14,107,816	0.6

Table 1
(Concluded)

	Assessment		
	Equalized	**Residential Portion**	**Equalized Per Household**
	$000	**%**	**$**
Metropolitan Toronto			
Cities	**37,835,652**	**50.2**	**81,939**
Boroughs	**23,136,895**	**62.3**	**65,581**
Total	**60,972,547**	**54.8**	**74,854**
Regions			
Cities	**50,501,025**	**65.3**	**64,149**
Towns	**22,769,912**	**74.6**	**83,717**
Villages	**98,287**	**99.9**	**162,996**
Townships	**9,918,375**	**87.1**	**87,427**
Total	**83,287,598**	**70.5**	**70,987**
Counties			
Cities	**22,431,927**	**62.5**	**53,360**
Separated Towns	**429,411**	**56.3**	**45,604**
Towns	**7,008,290**	**66.9**	**51,171**
Villages	**2,208,196**	**73.6**	**44,278**
Townships	**28,763,639**	**85.1**	**68,775**
Imp. Districts	**8,695**	**98.5**	**28,603**
Total	**60,850,158**	**74.1**	**58,783**
Districts			
Cities	**6,276,784**	**55.1**	**61,077**
Towns	**2,554,572**	**55.5**	**49,421**
Villages	**116,847**	**76.4**	**58,249**
Townships	**3,756,463**	**73.5**	**57,539**
Dev. Area Boards	**10,017**	**73.7**	**27,073**
Imp. Districts	**82,671**	**63.5**	**43,306**
Total	**12,797,354**	**60.9**	**57,124**
PROVINCIAL TOTAL	**217,907,657**	**66.5**	**67,110**

Revenue Fund Revenues **Table 2**

	Taxation (Municipal)				
	Residential and Farm	Commercial, Industrial and Business	Special Charges	Sewer Surcharge on Direct Water Billings	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto					
Upper Tier	209,485	224,448	4,427	20,812	459,172
Cities	100,463	134,151	9,215	9,233	253,127
Boroughs	81,956	58,684	4,006	0	144,649
Total	391,904	417,238	17,648	30,045	856,947
Regions					
Upper Tiers	199,941	119,583	14,201	61,336	395,061
Cities	213,100	144,051	14,873	6,847	378,882
Towns	74,379	33,718	5,527	845	114,476
Villages	374	1	31	0	405
Townships	25,395	4,764	2,475	221	32,857
Total	513,189	302,116	37,107	69,249	921,682
Counties					
Upper Tiers	38,882	12,341	1,290	0	52,513
Cities	161,706	119,995	12,807	7,650	302,188
Separated Towns	2,723	2,494	273	304	5,794
Towns	35,468	23,613	5,636	6,318	71,041
Villages	8,653	4,125	2,769	2,923	18,471
Townships	68,660	15,146	10,375	1,671	95,854
Imp. Districts	92	2	22	0	115
Total	316,184	177,716	33,172	18,867	545,975
Districts					
Cities	34,714	33,879	2,714	2,257	73,574
Towns	14,300	14,878	1,950	1,585	32,713
Villages	355	122	91	48	617
Townships	11,240	8,433	1,370	1,064	22,108
Dev. Area Boards	59	24	2	0	84
Imp. Districts	472	429	19	0	920
Total	61,139	57,766	6,146	4,955	130,016
PROVINCIAL TOTAL	1,282,416	954,880	94,073	123,116	2,454,621

Revenue Fund Revenues

Table 2 (Cont.)

	Ontario Grants		
	Unconditional	Conditional	Total
	$000	$000	$000
Metropolitan Toronto			
Upper Tier	95,409	257,911	353,320
Cities	18,247	20,371	38,618
Boroughs	17,697	16,516	34,213
Total	131,353	294,798	426,151
Regions			
Upper Tiers	150,452	300,799	451,250
Cities	52,121	43,978	96,100
Towns	16,453	20,463	36,915
Villages	46	91	137
Townships	4,563	9,738	14,301
Total	223,635	375,068	598,703
Counties			
Upper Tiers	15,511	166,014	181,525
Cities	76,222	84,812	161,033
Separated Towns	1,952	1,841	3,793
Towns	26,155	10,318	36,473
Villages	7,520	3,990	11,510
Townships	26,506	55,780	82,286
Imp. Districts	46	43	90
Total	153,912	322,799	476,710
Districts			
Cities	48,916	38,056	86,972
Towns	25,004	18,047	43,051
Villages	489	214	703
Townships	16,239	15,790	32,028
Dev. Area Boards	489	20	509
Imp. Districts	645	343	989
Total	91,781	96,559	188,340
PROVINCIAL TOTAL	600,682	1,089,223	1,689,905

Totals include amounts for conservation authorities and children's aid societies. These amounts are not reported by municipalities.

Revenue Fund Revenues

Table 2 (Cont.)

	Payments in Lieu of Taxes		
	Ontario	Other	Total
	$000	$000	$000
Metropolitan Toronto			
Upper Tier	6,208	162	6,370
Cities	30,013	22,846	52,859
Boroughs	9,622	7,706	17,328
Total	45,842	30,714	76,556
Regions			
Upper Tiers	5,347	2,031	7,378
Cities	17,987	70,130	88,117
Towns	3,599	2,324	5,923
Villages	0	398	398
Townships	435	492	927
Total	27,369	75,374	102,743
Counties			
Upper Tiers	753	446	1,199
Cities	11,256	9,924	21,180
Separated Towns	135	157	292
Towns	1,832	2,270	4,102
Villages	520	291	811
Townships	2,626	3,514	6,141
Imp. Districts	0	0	0
Total	17,122	16,603	33,724
Districts			
Cities	3,143	3,187	6,330
Towns	1,355	649	2,003
Villages	17	3	20
Townships	684	168	853
Dev. Area Boards	48	6	53
Imp. Districts	5	9	15
Total	5,253	4,022	9,275
PROVINCIAL TOTAL	95,586	126,713	222,299

Table 2 (Cont.)

	User Fees				
	Transit	Water	Homes for Aged	Other	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto					
Upper Tier	234,979	65,121	36,230	33,236	369,566
Cities	0	14,865	0	32,971	47,836
Boroughs	0	15,272	1	12,281	27,554
Total	234,979	95,257	36,231	78,488	444,955
Regions					
Upper Tiers	34,878	97,087	26,419	26,028	184,412
Cities	21,913	9,727	964	84,841	117,445
Towns	2,306	4,310	85	20,428	27,128
Villages	0	0	0	0	0
Townships	0	685	0	7,335	8,019
Total	59,096	111,809	27,468	138,632	337,005
Counties					
Upper Tiers	0	0	29,353	3,098	32,451
Cities	19,045	41,650	8,301	32,352	101,348
Separated Towns	0	1,128	0	827	1,955
Towns	195	15,326	12	12,461	27,994
Villages	3	3,748	28	5,505	9,283
Townships	143	5,865	1	27,908	33,917
Imp. Districts	0	1	0	2	3
Total	19,387	67,718	37,694	82,153	206,952
Districts					
Cities	5,090	10,283	6,350	8,957	30,680
Towns	22	5,032	4,142	4,780	13,976
Villages	2	47	0	205	254
Townships	0	1,686	1,069	3,366	6,121
Dev. Area Boards	0	35	0	62	96
Imp. Districts	0	18	0	67	85
Total	5,114	17,100	11,560	17,436	51,211
PROVINCIAL TOTAL	318,576	291,885	112,952	316,710	1,040,123

Revenue Fund Revenues

Table 2
(Concluded)

	Other Revenue	Total Revenue
	$000	$000
Metropolitan Toronto		
Upper Tiers	85,569	1,273,997
Cities	63,866	456,306
Boroughs	37,551	261,295
Total	186,985	1,991,598
Regions		
Upper Tiers	27,531	1,065,632
Cities	103,766	784,310
Towns	32,597	217,039
Villages	99	1,039
Townships	7,984	64,088
Total	171,977	2,132,108
Counties		
Upper Tiers	8,570	276,258
Cities	47,504	633,253
Separated Towns	1,295	13,129
Towns	13,618	153,228
Villages	4,457	44,532
Townships	21,797	239,995
Imp. Districts	4	212
Total	97,246	1,360,607
Districts		
Cities	11,638	253,283
Towns	8,732	100,475
Villages	182	1,776
Townships	6,849	67,958
Dev. Area Boards	312	1,054
Imp. Districts	412	2,421
Total	28,124	406,967
PROVINCIAL TOTAL	484,333	5,891,280

Totals include amounts for conservation authorities and children's aid Societies. These amounts are not reported by municipalities.

Revenue Fund Expenditures **Table 3**

	General Government	Fire	Protection to Persons and Property		
			Police	Other	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto					
Upper Tier	30,975	0	242,351	16,451	258,802
Cities	100,574	70,406	0	15,487	85,892
Boroughs	34,861	42,699	0	7,365	50,065
Total	166,411	113,105	242,351	39,303	394,759
Regions					
Upper Tiers	58,713	114	163,745	24,996	188,855
Cities	152,724	101,260	40,874	16,086	158,220
Towns	37,887	20,931	1,401	6,405	28,737
Villages	226	203	134	2	338
Townships	12,112	4,323	289	1,493	6,105
Total	261,663	126,831	206,443	48,982	382,255
Counties					
Upper Tiers	16,757	52	0	17,618	17,670
Cities	60,220	53,376	75,226	9,135	137,738
Separated Towns	1,395	904	1,480	42	2,426
Towns	20,307	7,379	20,254	2,971	30,604
Villages	8,313	1,586	877	750	3,214
Townships	41,464	11,992	3,834	6,553	22,379
Improvement Districts	39	9	0	2	11
Total	148,496	75,298	101,672	37,072	214,041
Districts					
Cities	14,720	16,425	20,877	3,198	40,499
Towns	10,759	4,507	6,438	1,046	11,991
Villages	347	120	0	19	140
Townships	11,536	2,392	1,749	600	4,741
Dev. Area Boards	195	43	0	14	57
Imp. Districts	581	96	0	10	106
Total	38,138	23,583	29,064	9,685	62,332
PROVINCIAL TOTAL	614,708	338,816	579,530	135,042	1,053,387

Totals include amounts for conservation authorities. These amounts are not reported by municipalities.

Revenue Fund Expenditures **Table 3 (Cont.)**

	Transportation Services			
	Roads	Transit	Other	Total
	$000	$000	$000	$000
Metropolitan Toronto				
Upper Tier	62,383	352,116	3,491	417,990
Cities	45,626	0	19,412	65,038
Boroughs	37,538	0	5,329	42,868
Total	145,548	352,116	28,232	525,896
Regions				
Upper Tiers	109,011	88,026	726	197,763
Cities	108,142	45,851	27,498	181,490
Towns	53,562	7,034	6,455	67,051
Villages	146	0	23	169
Townships	24,738	64	1,074	25.877
Total	295,599	140,975	35,775	472,350
Counties				
Upper Tiers	64,154	0	24	64,178
Cities	76,863	35,578	15,229	127,670
Separated Towns	2,013	0	331	2,344
Towns	24,076	785	4,978	29,839
Villages	8,466	87	1,205	9,758
Townships	102,039	483	2,886	105,408
Imp. Districts	69	0	3	72
Total	277,680	36,933	24,655	339,268
Districts				
Cities	27,307	13,587	4,814	45,707
Towns	17,673	292	3,112	21,077
Villages	423	3	41	467
Townships	20,756	23	1,117	21,896
Dev. Area Boards	258	0	169	427
Imp. Districts	377	0	120	497
Total	66,794	13,905	9,373	90,072
PROVINCIAL TOTAL	785,621	543,929	98,036	1,427,586

Revenue Fund Expenditures **Table 3 (Cont.)**

	Environmental Services			
	Sewers	Water	Solid Waste	Total
	$000	$000	$000	$000
Metropolitan Toronto				
Upper Tier	70,421	56,050	28,186	154,657
Cities	19,085	19,365	24,361	62,812
Boroughs	14,643	12,843	14,800	42,286
Total	104,149	88,258	67,347	259,754
Regions				
Upper Tiers	117,797	114,609	22,096	254,502
Cities	31,550	9,868	23,630	65,047
Towns	5,542	5,964	9,003	20,510
Villages	103	0	34	137
Townships	695	1,100	2,446	4,241
Total	155,688	131,541	57,209	344,437
Counties				
Upper Tiers	0	0	54	54
Cities	58,817	45,826	20,222	124,865
Separated Towns	1,548	1,332	402	3,282
Towns	18,976	19,064	5,479	43,519
Villages	5,296	5,697	1,794	12,788
Townships	4,820	8,735	8,128	21,683
Imp. Districts	7	34	9	49
Total	89,465	80,688	36,089	206,241
Districts				
Cities	14,079	11,103	5,385	30,568
Towns	8,195	6,638	2,807	17,639
Villages	93	58	68	219
Townships	3,098	2,611	2,102	7,811
Dev. Area Boards	60	69	78	207
Imp. Districts	109	131	62	302
Total	25,634	20,610	10,502	56,746
PROVINCIAL TOTAL	374,936	321,096	171,146	867,179

Revenue Fund Expenditures

Table 3
(Cont.)

	Social and Family Services				
	Health Assistance	General Assistance	Assistance to Aged	Assistance to Children	Total
	$000	$000	$000	$000	
Metropolitan Toronto					
Upper Tier	25,671	109,786	89,126	80,906	305,489
Cities	25,315	0	609	0	25,924
Boroughs	12,309	0	48	12	12,368
Total	63,295	109,786	89,783	80,918	343,782
Regions					
Upper Tiers	60,859	126,089	75,053	72,830	334,831
Cities	4,768	759	5,778	2,211	13,516
Towns	1,636	81	577	16	2,310
Villages	0	0	0	0	0
Townships	276	100	113	10	499
Total	67,539	127,029	81,521	75,067	351,156
Counties					
Upper Tiers	27,209	34,393	66,700	38,764	167,065
Cities	12,631	47,045	22,819	9,140	91,634
Separated Towns	280	998	83	285	1,647
Towns	1,609	574	128	1,517	3,828
Villages	342	386	179	71	978
Townships	1,307	2,813	97	370	4,587
Imp. Districts	0	11	0	0	11
Total	43,378	86,220	90,006	50,147	269,751
Districts					
Cities	7,997	12,344	21,171	2,863	44,374
Towns	4,445	4,891	12,412	1,561	23,310
Villages	51	50	29	1	131
Townships	1,955	1,763	3,912	590	8,220
Dev. Area Boards	13	0	0	0	13
Imp. Districts	33	113	29	43	218
Total	14,495	19,160	37,553	24,349	95,557
PROVINCIAL TOTAL	188,708	342,194	298,863	230,480	1,060,246

Totals include amounts for children's aid societies. These amounts are not reported by municipalities.

Revenue Fund Expenditures **Table 3 (Cont.)**

	Recreation and Cultural Services		
	Parks and Recreation	Libraries	Total
	$000	$000	$000
Metropolitan Toronto			
Upper Tier	40,096	39,705	79,801
Cities	56,780	34,909	91,689
Boroughs	44,529	17,731	62,260
Total	141,405	92,345	233,750
Regions			
Upper Tiers	197	4,730	4,927
Cities	113,195	49,890	163,085
Towns	36,284	12,075	48,359
Villages	60	61	121
Townships	9,478	1,439	10,917
Total	159,214	68,195	227,409
Counties			
Upper Tiers	799	7,176	7,976
Cities	50,618	23,673	74,291
Separated Towns	1,286	284	1,570
Towns	20,386	3,099	23,485
Villages	8,086	743	8,829
Townships	16,333	2,216	18,550
Imp. Districts	24	5	29
Total	97,533	37,197	134,730
Districts			
Cities	18,796	6,664	25,460
Towns	10,003	2,020	12,023
Villages	281	58	339
Townships	8,417	1,294	9,711
Dev. Area Boards	152	12	164
Imp. Districts	269	57	326
Total	37,919	10,104	48,022
PROVINCIAL TOTAL	436,071	207,840	643,911

Revenue Fund Expenditures **Table 3 (Concluded)**

	Planning and Development	Total Expenditures	In Year Surplus (Deficit)
	$000	$000	$000
Metropolitan Toronto			
Upper Tier	10,147	1,257,861	16,136
Cities	15,186	447,115	9,191
Boroughs	5,908	250,616	10,679
Total	31,240	1,955,592	36,006
Regions			
Upper Tiers	16,875	1,056,465	9,167
Cities	33,201	767,284	17,026
Towns	7,108	211,963	5,076
Villages	23	1,014	25
Townships	4,352	64,103	(15)
Total	61,560	2,100,830	31,279
Counties			
Upper Tiers	3,910	277,610	(1,352)
Cities	17,766	634,184	(931)
Separated Towns	509	13,173	(44)
Towns	4,297	155,880	(2,652)
Villages	678	44,558	(26)
Townships	24,121	238,196	1,799
Imp. Districts	2	213	(1)
Total	51,282	1,363,813	(3,205)
Districts			
Cities	4,792	206,119	3,075
Towns	4,250	101,046	(571)
Villages	18	1,662	114
Townships	3,659	67,573	385
Dev. Area Boards	3	1,066	(12)
Imp. Districts	172	2,202	218
Total	12,894	403,758	3,209
PROVINCIAL TOTAL	156,976	5,823,993	67,288

Totals include amounts for conservation authorities and children's aid societies. These amounts are not reported by municipalities.

Capital Fund Revenues

Table 4

	Transfers from Other Funds		
	Revenue Fund	Reserves and Reserve Funds	Total
	$000	$000	$000
Metropolitan Toronto			
Upper Tier	63,232	2,730	65,962
Cities	16,947	14,030	30,977
Boroughs	5,483	12,590	18,073
Total	85,661	29,350	115,011
Regions			
Upper Tiers	53,283	31,499	84,782
Cities	22,745	72,510	95,255
Towns	19,876	36,911	56,787
Villages	19	0	19
Townships	7,791	2,120	9,911
Total	103,715	143,040	246,755
Counties			
Upper Tiers	15,111	1,406	16,517
Cities	29,021	17,244	46,266
Separated Towns	1,424	68	1,491
Towns	17,107	7,422	24,529
Villages	4,345	866	5,211
Townships	22,594	3,314	25,908
Imp. Districts	2	8	11
Total	89,604	30,329	119,933
Districts			
Cities	8,846	6,715	15,561
Towns	12,886	1,206	14,091
Villages	128	17	145
Townships	5,708	1,379	7,087
Dev. Area Boards	47	0	47
Imp. Districts	282	2	284
Total	27,896	9,319	37,215
PROVINCIAL TOTAL	306,876	212,038	518,914

Capital Fund Revenues

Table 4
(Cont.)

	Long Term Borrowing			
	Own Purposes	Unconsolidated Local Boards	Individuals	Total
Metropolitan Toronto				
Upper Tier	27,688	0	0	27,688
Cities	33,367	0	0	33,367
Boroughs	20,349	0	0	20,349
Total	81,403	0	0	81,403
Regions				
Upper Tiers	30,319	4,020	0	34,340
Cities	32,283	2,600	562	35,444
Towns	4,554	0	818	5,373
Villages	0	0	0	0
Townships	271	0	3,499	3,769
Total	67,427	6,620	4,879	78,926
Counties				
Upper Tiers	2,380	0	0	2,380
Cities	36,535	0	11	36,547
Separated Towns	125	0	0	125
Towns	7,580	85	53	7,718
Villages	1,592	45	78	1,715
Townships	5,584	0	27,173	32,757
Imp. Districts	0	0	0	0
Total	53,797	130	27,316	81,243
Districts				
Cities	7,558	1,321	59	8,938
Towns	1,531	0	16	1,548
Villages	5	0	36	41
Townships	889	0	1,207	2,096
Dev. Area Boards	0	0	0	0
Imp. Districts	0	0	0	0
Total	9,984	1,321	1,318	12,623
PROVINCIAL TOTAL	212,611	8,071	33,513	254,195

Capital Fund Revenues

Table 4 (Concluded)

	Ontario Grants	Other Sources	Total Revenues
	$000	$000	$000
Metropolitan Toronto			
Upper Tier	64,251	14,847	172,748
Cities	16,011	21,686	102,040
Boroughs	10,164	11,932	60,517
Total	90,425	48,465	335,305
Regions			
Upper Tiers	65,480	31,474	216,077
Cities	36,503	25,378	192,580
Towns	16,070	29,505	107,735
Villages	0	0	19
Townships	7,717	2,813	24,210
Total	125,771	89,170	540,621
Counties			
Upper Tiers	24,766	314	43,978
Cities	31,724	17,320	131,856
Separated Towns	457	444	2,517
Towns	24,303	11,727	68,277
Villages	7,970	2,708	17,604
Townships	38,193	11,773	108,631
Imp. Districts	0	0	11
Total	127,413	44,286	372,874
Districts			
Cities	15,420	3,339	43,259
Towns	18,717	4,574	38,930
Villages	468	225	879
Townships	13,179	1,114	23,476
Dev. Area Boards	0	0	47
Imp. Districts	689	1,125	2,097
Total	48,473	10,377	108,688
PROVINCIAL TOTAL	392,082	192,298	1,357,488

Capital Fund Expenditures and Transfers

Table 5

	General Government	Protection to Persons and Property	Transportation Services		
			Roads	Transit	Total
	$000	$000	$000	$000	$000
Metropolitan Toronto					
Upper Tier	765	7,022	24,417	68,449	92,866
Cities	8,141	3,244	23,709	0	23,709
Boroughs	1,170	1,550	19,561	0	19,561
Total	10,076	11,816	67,687	68,449	136,136
Regions					
Upper Tiers	2,454	11,095	79,143	15,787	94,930
Cities	11,218	9,811	74,638	4,351	78,989
Towns	7,322	4,315	44,798	820	45,617
Villages	19	0	0	0	0
Townships	393	1,235	11,840	0	11,840
Total	21,406	26,455	210,419	20,957	231,376
Counties					
Upper Tiers	4,616	37	35,284	0	35,284
Cities	2,062	3,186	43,784	2,186	45,970
Separated Towns	50	266	992	0	992
Towns	1,517	2,645	24,004	241	24,245
Villages	505	604	5,809	0	5,809
Townships	1,931	3,301	41,562	0	41,562
Imp. Districts	0	2	0	0	0
Total	10,681	10,041	151,434	2,427	153,861
Districts					
Cities	840	1,549	16,709	563	17,272
Towns	936	699	14,594	6	14,600
Villages	2	26	350	0	350
Townships	755	619	7,883	0	7,883
Dev. Area Boards	0	0	19	0	19
Imp. Districts	5	6	53	0	53
Total	2,537	2,899	39,608	569	40,177
PROVINCIAL TOTAL	44,700	51,211	469,148	92,402	561,550

Capital Fund Expenditures and Transfers

Table 5 (Cont.)

	Environmental Services				
	Sewers	Water	Solid Waste	Total	Health Services
	$000	$000	$000	$000	$000
Metropolitan Toronto					
Upper Tier	13,194	9,324	2,932	25,450	1,996
Cities	18,965	2,643	1,182	22,790	138
Boroughs	16,567	1,839	463	18,869	34
Total	48,726	13,806	4,577	67,110	2,168
Regions					
Upper Tiers	56,289	43,416	2,765	102,470	8,678
Cities	30,736	4,170	298	35,203	152
Towns	14,976	3,294	782	19,052	91
Villages	0	0	0	0	0
Townships	857	59	0	917	1
Total	102,858	50,939	3,845	157,642	8,923
Counties					
Upper Tiers	0	0	83	83	1,379
Cities	26,311	9,981	1,034	37,326	1,134
Separated Towns	248	180	7	435	271
Towns	24,247	6,807	158	31,211	81
Villages	2,073	4,563	367	7,004	61
Townships	3,969	9,210	631	13,810	123
Imp. Districts	0	8	0	8	0
Total	56,847	30,749	2,280	89,877	3,048
Districts					
Cities	5,172	4,434	309	9,916	1,403
Towns	10,561	1,615	67	12,242	245
Villages	0	55	0	55	0
Townships	2,775	3,063	181	6,019	541
Dev. Area Boards	0	0	3	3	0
Imp. Districts	1,845	35	0	1,880	0
Total	20,353	9,202	560	30,115	2,189
PROVINCIAL TOTAL	228,785	104,697	11,262	344,744	16,328

Capital Fund Expenditures and Transfers **Table 5 (Cont.)**

	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total Own Expenditures
	$000	$000	$000	$000
Metropolitan Toronto				
Upper Tier	10,151	8,131	9	146,390
Cities	0	9,309	13,253	80,585
Boroughs	0	11,742	32	52,958
Total	10,151	29,182	13,294	279,933
Regions				
Upper Tiers	2,079	130	5,172	227,008
Cities	261	32,001	23,901	191,536
Towns	849	19,257	10,994	107,497
Villages	0	0	0	19
Townships	181	3,085	3,816	21,467
Total	3,370	54,473	43,882	547,527
Counties				
Upper Tiers	1,478	536	190	43,602
Cities	737	11,800	23,126	125,341
Separated Towns	0	113	177	2,304
Towns	193	8,126	2,639	70,657
Villages	939	2,488	232	17,643
Townships	78	5,550	15,252	81,607
Imp. Districts	0	0	0	11
Total	3,424	28,615	41,616	341,164
Districts				
Cities	306	3,831	9,032	44,148
Towns	223	2,119	23,214	54,277
Villages	0	396	244	1,074
Townships	310	3,300	2,295	21,722
Dev. Area Boards	0	25	0	47
Imp. Districts	64	21	76	2,105
Total	903	9,692	34,860	123,373
PROVINCIAL TOTAL	17,849	121,962	133,653	1,291,997

Capital Fund Expenditures and Transfers

Table 5
(Cont.)

	Transfers			
	Local Unconsolidated Boards	Individuals	Other Funds	Total
	$000	$000	$000	$000
Metropolitan Toronto				
Upper Tier	0	0	120	120
Cities	0	0	994	994
Boroughs	0	0	804	804
Total	0	0	1,918	1,918
Regions				
Upper Tiers	4,020	0	2,195	6,216
Cities	2,600	562	2,463	5,625
Towns	0	818	1,389	2,207
Villages	0	0	0	0
Townships	0	3,499	175	3,673
Total	6,620	4,879	6,222	17,721
Counties				
Upper Tiers	0	0	1,364	1,364
Cities	0	11	6,383	6,394
Separated Towns	0	0	52	52
Towns	85	53	511	649
Villages	45	78	247	370
Townships	0	27,173	613	27,786
Imp. Districts	0	0	0	0
Total	130	27,316	9,171	36,617
Districts				
Cities	1,321	59	496	1,876
Towns	0	16	92	109
Villages	0	36	15	52
Townships	0	1,207	154	1,361
Dev. Area Boards	0	0	0	0
Imp. Districts	0	0	0	0
Total	1,321	1,318	758	3,397
PROVINCIAL TOTAL	8,071	33,513	18,070	59,654

Capital Fund Expenditures and Transfers

Table 5
(Concluded)

	Total Applications	Accumulated Balance at end of Year[1]
	$000	$000
Metropolitan Toronto		
Upper Tier	146,510	(53,652)
Cities	81,579	(17,901)
Boroughs	53,762	13,972
Total	281,851	(57,581)
Regions		
Upper Tiers	233,224	41,953
Cities	197,161	23,269
Towns	109,705	8,956
Villages	19	17
Townships	25,140	5,037
Total	565,249	79,232
Counties		
Upper Tiers	44,966	1,082
Cities	131,735	44,237
Separated Towns	2,356	416
Towns	71,306	19,187
Villages	18,013	2,904
Townships	109,393	25,774
Imp. Districts	11	0
Total	377,781	93,600
Districts		
Cities	46,024	12,839
Towns	54,385	18,603
Villages	1,125	30
Townships	23,083	962
Dev. Area Boards	47	0
Imp. Districts	2,105	372
Total	126,770	32,806
PROVINCIAL TOTAL	1,351,651	148,056

[1] Unfinanced balances are shown without brackets while unexpended balances are shown in brackets.

Municipal Debt and Debt Charges

Table 6

	Long Term Debt Outstanding	Debt Charges	Debt Charges as a Percent of Revenue Fund Expenditures
	$000	$000	%
Metropolitan Toronto			
Upper Tier	795,476	132,317	10.5
Cities	150,672	36,605	8.2
Boroughs	102,873	20,818	8.3
Total	1,049,021	189,740	9.7
Regions			
Upper Tiers	648,447	98,428	9.3
Cities	386,070	60,657	7.9
Towns	88,282	11,199	5.3
Villages	393	90	8.8
Townships	24,297	3,825	6.0
Total	1,147,489	174,198	8.3
Counties			
Upper Tiers	8,386	2,317	0.8
Cities	388,138	60,975	9.6
Separated Towns	2,673	862	6.5
Towns	90,983	13,855	8.9
Villages	16,276	2,456	5.5
Townships	161,837	25,081	10.5
Imp. Districts	0	0	0.0
Total	668,293	105,546	7.7
Districts			
Cities	118,534	17,252	8.4
Towns	22,079	4,019	4.0
Villages	274	47	2.8
Townships	11,848	2,072	3.1
Dev. Area Boards	84	13	1.2
Imp. Districts	100	31	1.4
Total	152,920	23,433	5.8
PROVINCIAL TOTAL	3,017,723	492,917	8.7

Appendix C

Classification of Municipalities by Type

(a) **Metropolitan Toronto**

All upper and lower tier municipalities in Metropolitan Toronto.

(b) **Regions**

All upper and lower tier municipalities in the regions of Durham, Haldimand-Norfolk, Halton, Hamilton-Wentworth, Niagara, Ottawa-Carleton, Peel, Sudbury, Waterloo, York, the District of Muskoka, and the Restructured County of Oxford.

(c) **Cities South**

All cities within County boundaries: Barrie, Belleville, Brantford, Brockville, Chatham, Cornwall, Guelph, Kingston, London, Orillia, Owen Sound, Pembroke, Peterborough, Sarnia, Stratford, St. Thomas and Windsor.

(c) **Cities North**

All cities in Northern Ontario outside the Region of Sudbury: North Bay, Sault Ste. Marie, Thunder Bay and Timmins.

(e) **Rural South**

All upper and lower tier municipalities in counties, including separated towns but excluding cities.

(f) **Rural North**

All municipalities in northern Ontario except municipalities in (b) and (d) above.

POOR

QUALITY

ORIGINAL